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# A BRIEF ACCOUNT OF DIPLOMATIC EVENTS IN MANCHURIA

By

Sir HAROLD PARLETT, C.M.G.

*Published under the auspices of the*
*Royal Institute of International Affairs*
1929

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# PREFACE

THE monograph on the recent diplomatic history of Manchuria which is contained in this volume has been prepared specially for the bi-annual Conference of the Institute of Pacific Relations which will be held at Kyoto next autumn.

The Institute has been particularly fortunate in securing the services of Sir Harold Parlett as the writer of this short history. His long connexion with His Majesty's Consular and Diplomatic Service has enabled him to bring to the record an unrivalled first-hand knowledge of the events with which he deals.

It seems most desirable, in view of the importance of the part which Manchuria has played in the history of the Far East during the last thirty years, that this able and well-informed introduction to the history of the diplomatic negotiations should be made more generally available. Encouraged, moreover, by the favourable reception given to the brochure on *China and Foreign Powers* by Sir Frederick Whyte, which was prepared for the Honolulu Conference in 1927, arrangements have been made with the Oxford University Press for the publication of this monograph also.

J. W. HEADLAM-MORLEY,
*Chairman, Publications Committee,*
*Royal Institute of International Affairs.*

*June,* 1929.

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# A BRIEF ACCOUNT OF DIPLOMATIC EVENTS IN MANCHURIA.

*Physical characteristics*

MANCHURIA is situated in the north-eastern extremity of China and comprises the three provinces of Fengtien (or Shengking), Kirin, and Heilungkiang. On the west it is bounded by Mongolia and the Chinese province of Chihli, on the north-west, north-east, and east by the Siberian provinces of Transbaikalia, Amursk, and Primorskaya, on the south-east by Korea, and on the south by the Yellow Sea. Its area is about 360,000 square miles, and its frontiers on the north, east, and south are clearly demarcated; but the western boundary is for the greater part undefined. The climate is, generally speaking, healthy and exhilarating; but the winter, even in the Liaotung territory in the extreme south, is very cold. All the rivers at that season of the year are ice-bound, and in many places the sea is not infrequently frozen for some distance from the land. In the north-west and south-east are two ranges of mountains, the Khingan and the Changpai. The intervening space is mostly plain-land, and it is in this area that the great crops of cereals, which promise to make Manchuria one of the granaries of the world, are raised. The resources of the mountainous regions of the country have not yet been fully investigated; but valuable forests are numerous, and gold and other precious metals are known to exist. Large coal deposits are being mined at Fushun, Yentai, and Penhsihu in Fengtien province. The population, which is said to have increased by nearly ten million since the Russo-Japanese War and is still expanding with extraordinary rapidity, is probably about twenty-five millions. For many years past hundreds of thousands of labourers have flocked north every spring from Shantung and other parts of China to work during the summer months on the farms. At the commencement practically all were males, and more than half returned to their homes in the south after the harvesting of the crops; but a significant proof of the more peaceful conditions prevailing in Manchuria, as compared with China proper, is to be found in the fact that of recent years there has been an enormous influx of women and children as well, a sure sign of permanent settlement. Owing to the various routes—land, sea, and rail—by which these multitudes travel

*Population*

*Immigration*

it is impossible to estimate their exact numbers; but it is believed that about a million must have entered the territory in 1927 alone. The vast majority are without capital at all, and some are in fact so destitute that they cannot even afford on landing in Manchuria to pay their railway fare north, notwithstanding the fact that the railway companies allow reduced rates to men and women and carry children and the aged free of charge. Food and assistance of a modest kind are, however, given to them in various places by the Chinese guilds and charitable organizations, and when they reach their journey's end work is always obtainable. A number of the more adventurous push on into the remoter parts of North Manchuria to break up the waste lands granted without payment or at a nominal rent by the provincial authorities. Most of them, however, either take service as farm hands, with the object of saving sufficient capital to start independently, or work on a 'crop account' basis, the owner of the land paying them a small wage and supplying them in addition with shelter, food, tools, and seed. In addition to these Chinese immigrants there are nearly a million Koreans settled in Manchuria, mostly in the provinces of Kirin and Heilungkiang. They are not as industrious or nearly as sober as the Chinese; but they play a useful though minor part in the development of the agricultural resources of the country because, being for the most part growers of rice, they bring under cultivation the low-lying and marshy districts which the native farmer or the ordinary Shantung immigrant, who is accustomed to dry crops, has hitherto neglected. Their lot, however, is not an easy one. In addition to being subjected frequently to exorbitant taxation they can obtain no security of tenure without changing their nationality, which is impossible because there is no law permitting a Korean to do this. In consequence disputes between them and the owners of the land they farm are of frequent occurrence. The Japanese agricultural immigrant is practically non-existent, and of the two hundred thousand Japanese in Manchuria at this moment the vast majority live in the leased territory or along the South Manchuria Railway Company's lines and are either petty traders or engaged in business or industrial enterprises of more or less importance.[1]

[1] For much of this information the compiler of this memorandum is indebted to an article, 'Manchuria, a new Homeland of the Chinese', by Mr. C. Walter Young in the issue of *Current History* of July 1928.

For the purposes of this memorandum the history of Manchuria is conveniently divisible into the following four periods: *The four periods in the history of Manchuria*

1. the early period, terminating with the China-Japan War of 1894–95;
2. the period of Russian aggression, closing with the Treaty of Portsmouth in 1905;
3. the period of Japanese aggression, checked by the Washington Conference, and
4. the present period, of which the outstanding feature is China's attempt to reassert herself.

## I. The Early Period: terminating with the China-Japan War of 1895.

Manchuria was originally inhabited by various scattered tribes of Tungus origin who lived in small settlements scattered along the various rivers. With the Turks and Huns and other barbarous tribes they were known to the early Chinese, whose frontiers they frequently raided, under the generic name of 'Hiung-nu', and at the close of the Tang dynasty had attained sufficient cohesion to be able to found a dynasty, the Liao or Khitan, which ruled over the greater part of south-west Manchuria, east Mongolia and north Chihli. After a period of about two hundred years they were displaced by another Tartar or Tungus horde, the Nuchens, who in the twelfth century founded the Chin or Golden dynasty, which ruled over the whole of north China until it was overthrown by the Mongols under Genghiz Khan towards the end of the thirteenth century. The surviving adherents of the defeated dynasty retired into Manchuria, whence they did not again emerge till the middle of the seventeenth century when, under the leadership of Nurhachu, they overthrew the Ming dynasty and established that of the Manchus which, after two centuries of rule, was in its turn driven out by the Revolutionists in 1911. There appears to be no very close blood-relationship between the Chinese and the Manchus, and when the latter invaded China and seized the Dragon Throne they came as conquering aliens. The relations between victors and vanquished are vaguely reminiscent of those between Normans and Saxons after the Norman Conquest. Garrisons of Manchu 'bannermen' were planted in the more important cities of China, where some of their descendants probably still live. For a hundred years after the conquest the emigration of Chinese north of the Great Wall was forbidden, and it was not till after the Boxer rising that intermarriage between the two peoples *Early history*

was permitted. Manchuria itself was administered as a separate dependency under a Tartar General till 1907, when by Imperial Decree it was incorporated with China proper—the eighteen provinces. The original Manchu race has now almost disappeared, elbowed out of its birthright and of existence by the more thrifty, sober, and industrious Chinese immigrants who, filtering slowly into Manchuria for a couple of centuries, are now pouring in in such hordes that the Three Eastern Provinces will soon be as Chinese in spirit and population as China itself. The fact, however, remains that Manchuria never was an integral part of China in the same sense as the eighteen provinces, and it might almost with justice be said that the Chinese have no more right to be there than they have to be in Mongolia.

Shortly before the fall of the Ming dynasty a new portent had appeared in the north in the shape of the Russians whose fur-traders and adventurers, having already made their way across Siberia to the shores of the Pacific Ocean, were beginning now to advance southwards across the Amur into the northern part of Manchuria. It is probable that this invasion would not have attracted much attention at Peking, for the region was remote and almost unknown and the authority which the Manchu Emperors exercised over it little more than nominal; but the barbarities which the invaders, mostly brigands of the worst type, practised on the natives ultimately roused China to action, with the result that, after some years of petty fighting, the Russians were forced in 1689 to sign the Treaty of Nerchinsk and to retire behind the Argun River in the west and the Amur watershed in the north. Albazin, their great robber stronghold on the Amur River, was at the same time destroyed. There followed a period of comparative quiet which lasted till the middle of the nineteenth century when Nicholas Muravieff, better known as Muravieff Amursky, became Governor of Eastern Siberia. Events in Europe were then leading up to the Crimean War, and the strengthening of her Far Eastern possessions, which had long been the subject of anxiety, was yearly becoming a more pressing necessity to Russia. To Muravieff, clear-sighted and far-seeing, was entrusted this task and, with the object of facilitating the provisioning of the settlements in Kamchatka, he was at the same time instructed to secure navigation rights on the Amur. This privilege the Chinese Government had in the past steadily refused to grant; but in 1853 Muravieff informed the authorities at Peking that on

*Treaty of Nerchinsk: 1689*

account of the war then being waged with Great Britain and France he must, with or without China's consent, use the river for the transport of troops to protect the settlements at its mouth. The protests of the Chinese, if they made any, were of no avail, and the troops were sent. But Muravieff had in addition plans of his own; he was determined to secure a rectification of boundaries and to make the Amur once more the frontier between Russian Siberia and Manchuria, as it had been before the Treaty of Nerchinsk. The moment was propitious. The Government in Peking was confronted at home with the Taiping rebellion, and abroad trouble was imminent with the Powers; it was thus in no position to accept a dispute with Russia. After some pressure, therefore, Muravieff attained his object, and in 1858 the Treaty of Aigun was signed which gave Russia the whole of the north bank of the Amur from the Argun fork to the sea. The south bank as far as the Ussuri River remained Chinese, and it was agreed that the strip of land between this river and the sea should be held in common pending a further settlement. For this Russia had not long to wait. Owing to the arrogant, unconciliatory attitude of the Chinese the trouble abroad culminated in a war with Great Britain and France in which China was quickly worsted and forced to sue for peace. The negotiations which followed ended in the signing of the Treaty of Tientsin, and, as a reward for the services which Russia as 'honest broker' rendered on this occasion a Convention was signed by the Chinese Government at Peking in 1860 definitely surrendering to her the strip of land just mentioned. This is now the Primorsk Province. Under the terms of the Treaty of Tientsin the port of Newchwang at the mouth of the Liao River was opened in 1858 to foreign trade. This marks the commencement of direct commercial relations between Manchuria and the outside world generally.[1]

*Treaty of Aigun: 1858*

*Opening of Newchwang to foreign trade*

## II. The Period of Russian Aggression: closing with the Treaty of Portsmouth, 1905.

The second chapter opens with the China-Japan War of 1894–5. There is not space here to discuss at length the origins of this conflict; it will be sufficient to say that China's pretensions to

*The China-Japan War: 1894–5*

[1] By a treaty signed in 1727 near Kiakhta, Russian merchants to the number of two hundred were allowed to visit Peking for trading purposes once every three years and with a similar object it was agreed that factories should be established at Kiakhta, Selinga, and Nerchinsk; but these commercial privileges were limited to the subjects of the two Empires.

suzerainty[1] over Korea, pretensions which, it may be added, were not recognized by Japan or the other Powers, played an important part in them. The immediate cause of the war was a collision which took place between Japanese and Chinese troops at Asan when the two countries sent troops to Korea to assist in the subjugation of the Tonghak rebellion in 1894. The issue of the struggle was not long in doubt. China's navy was defeated at sea; her armies were driven out of Korea; Manchuria was invaded; Port Arthur was stormed; and Weihaiwei and Newchwang were occupied. Early in 1895 she was forced to beg for peace, and in April of that year the Treaty of Shimonoseki was signed. In this document China formally recognized Korea's independence and at the same time agreed to pay Japan an indemnity of two hundred million *taels* and to cede to her Formosa, the Pescadores, and the Liaotung peninsula. Japan was not, however, fated to enjoy all the fruits of her victory. In the interval between the signing of the treaty and its ratification, and probably with the connivance of the Chinese Government, Russia, who already harboured secret designs of her own against the territorial integrity of China, invited Great Britain, France, and Germany to intervene on the ground that Japan's occupation of Port Arthur would 'destroy the political balance in the Far East'. Great Britain declined; but the other two Powers fell in with the proposal and, accordingly, Russia, France, and Germany lost no time in advising Japan not to insist on the cession of this particular portion of Chinese territory, hinting at the same time at the possible use of force if their advice were disregarded. Japan wisely gave way, and in November of 1895 signed a Retrocession Convention by which she returned the

*Treaty of Shimonoseki: 1895*

*Retrocession of the Liaotung peninsula*

[1] Cf. the opening sentences of chap. xxii of *The Making of Modern Japan*, by J. H. Gubbins, C.M.G.:

> 'Those who are at all familiar with Chinese history will scarcely have failed to notice one persistent feature of it—the suzerainty that China has either exercised, or claimed to exercise, over neighbouring States which at one time or another have fallen under her domination. This has been the common experience of nearly all countries whose situation on the frontiers of the Chinese Empire has exposed them to invasion by their restless and powerful neighbour.'

This disposition, hardly reconcilable with China's vociferous protests against foreign encroachments on her own independence, still persists. Cf., for instance, her claims to suzerainty over Mongolia, Tibet, Barga, &c. The same idea is latent in the proposal in the second of the 'Resolutions concerning International Problems Drafted for the People's Conference' (*China and the Nations*, by Wong Ching-wai), in which it is gravely suggested that Korea and Annam, formerly vassal states of China, should be given their independence and then allowed to decide whether they would federate themselves with their former suzerain.

Liaotung peninsula to China but received in compensation an additional indemnity of thirty million *taels*. Russia at the same time placed China still further in her debt by engaging to help in floating the loan necessary to pay off the two indemnities.

The war had made clear to the world at large the utter military inefficiency of the Chinese, and there now followed as a consequence a period of fierce competition among the Powers for 'concessions' and 'spheres of interest',—the 'break-up' of China heralded by the political prophets. In this unseemly scramble Russia led the way. Her first move was the establishment at the end of 1895 of the Russo-Chinese Bank.[1] This was nominally an ordinary joint-stock company, formed, according to its charter, for the exclusive purpose of developing commercial relations with the Far East; but it was really an agent of the Russian Government, and its ultimate object was the exploitation of the situation in the Far East in Russia's interest. The capital, originally fixed at six million gold roubles, was subscribed partly by the governments of the two countries; but French financial interests were also strongly represented in the enterprise from the commencement. Further developments followed rapidly. For some years past Russian engineers had been engaged in the construction of the Trans-Siberian Railway which, running entirely through Russian territory, was to link Vladivostock on the shores of the Pacific Ocean with Moscow and St. Petersburg in Europe, and by 1896 the line had reached the province of Transbaikalia. Long before then, however, its builders had realized how greatly the work of construction would be facilitated and how substantial an economy would be effected in mileage if, instead of following the circuitous and difficult route along the Amur River, the line could be carried direct across Chinese territory in Manchuria. Equally aware was the Russian Government of the political and economic advantages latent in the idea. Accordingly, when Li Hung-chang was sent to Russia in 1896 as Special Envoy of the Chinese Court at the Coronation of the Tsar he was approached cautiously on the subject by M. Witte, the Minister for Finance. After preliminary assurances that Russia, having proclaimed the principle of the territorial integrity of China, meant to adhere to it, M. Witte proceeded to point out that to do so effectively she must be in a position to afford China armed assistance, and that owing to the lack of satisfactory railroad communication this was

*Establishment of the Russo-Chinese Bank and of the Chinese-Eastern Railway Co.*

[1] Its name was subsequently changed to 'Russo-Asiatic Bank'.

practically impossible. As a solution of the difficulty, he suggested that the Trans-Siberian Railway should be allowed to lay a branch line direct across Manchuria from Chita to Vladivostock. To this Li Hung-chang, who was fully cognizant of the disagreeable and dangerous features of the proposal, was for a long time unwilling to agree; but eventually his objections were overcome, and he consented. The arrangement thus reached took the shape of a Treaty of Alliance,[1] by which the two countries bound themselves to afford each other the fullest measure of armed support in the event of any act of aggression on the part of Japan, while China agreed to allow Russia to extend the Trans-Siberian Railway across Manchuria to Vladivostock. M. Witte would appear to have proposed that the line should be built and owned by his own Department; but to this Li Hung-chang would not consent, and the work of constructing and operating what is now known as the Chinese Eastern Railway was accordingly entrusted to the Russo-Chinese Bank under the terms of a Contract signed on the 8th of September 1896.[2] Among the more important provisions of this document are the following:

*Treaty of Alliance between Russia and China: 1896*

*Chinese Eastern Railway: Terms of Contract*

1. the Bank was to form a company, called the Chinese Eastern Railway Company, for the construction and operation of the line;

2. only Russian and Chinese subjects might be shareholders;

3. the President of the company was to be a nominee of the Chinese Government;

4. construction must be completed within six years from the date on which the route of the line was definitely fixed;

5. the gauge of the line must be that of the Russian railways;[3]

6. the Chinese Government was to be responsible for the safety of the line and of persons in its employ;

7. judicial cases in the railway area must be settled by the local authorities in accordance with the treaties;

8. the land necessary for the purposes of the railway was to be handed over free if State property; otherwise it must be bought or leased at current prices;

9. the Company was to have the absolute and exclusive right of administration of its lands;

10. the Company was to have the right to construct and operate the telegraphs necessary for the needs of the line;

11. the Chinese Government was to install Customs offices at the two frontier points on the line;

12. the Company was to operate the line at its own risk, the

[1] This is probably the basis of the apocryphal 'Cassini Convention'.

[2] *Vide* Appendix I.

[3] With the exception of the Russian railway all lines in Manchuria are of standard gauge.

Chinese Government accepting no responsibility for deficits of any kind whatever;

13. the concession was to be for eighty years, at the expiration of which time the line was to revert free of charge to the Chinese Government, but with the right of purchase, if desired, after thirty years; and

14. on the opening of the line to traffic the Company was to pay the Chinese Government five million *taels*.

Of this railway it may be said that it has been a source of trouble ever since its inception. It was a factor contributory to the war between Japan and Russia; for years it has been a cause of friction between the latter and China; and towards the end of the Great War and afterwards it helped materially to complicate the Far Eastern problems of the Allied Powers.

In March of 1898 Kiaochow, which was supposed to have been earmarked for Russia under the terms of the apocryphal Cassini

*Lease of the Liaotung peninsula to Russia*

CORRIGENDUM

page 9, line 5 *for* thirty *read* thirty-six



the lease did not 'violate the sovereign rights of China' in the territory leased and stipulated, *inter alia*, that the term was for twenty-five years, to be prolonged by mutual arrangement, if desired, that Port Arthur was to be an exclusively naval port for the use of Russian and Chinese vessels only, that part of Talienwan should be opened to the merchant ships of all nations and, finally, that a branch line of the Chinese Eastern Railway should be constructed to connect with Talienwan.[2] It is interesting to note that the clause providing for this extension closed with the words, 'Consent to the construction of the railway on the basis indicated shall never under any form serve as a pretext for the seizure of Chinese territory or for an encroachment on the sovereign rights of China'. By further agreements signed during the summer of the same year it was arranged that the termini

[1] *Vide* Appendix II.

[2] *Vide* Appendices II and III.

of the branch line were to be Talienwan [1] and Port Arthur, that in the neutral ground on the frontier of the leased territory no ports should be opened to foreign trade and no concessions or privileges granted without Russia's consent, that no railway privileges should be given to the subjects of other Powers in the districts traversed by the contemplated branch line, that within the leased territory Russia was at liberty to make her own tariff arrangements,[2] that the Chinese Eastern Railway might have its own fleet, and that in the regions traversed by its branch line the Company should have the right to mine such coal as was needed for the construction and operation of the railway.

These arrangements were naturally not acceptable to some of the other Powers, and Great Britain made vigorous representations on the subject at St. Petersburg. His Majesty's Government took up the position that while there was 'no objection to the lease by Russia of an ice-free commercial port connected by rail with the Trans-Siberian Railway, questions of an entirely different kind were opened if she obtained control of a military port in the neighbourhood of Peking'. To this protest Russia replied with an assurance that she had 'no intention of infringing the rights and privileges guaranteed by existing treaties between China and foreign countries'. Thereupon Great Britain demanded of China and obtained, the lease of Weihaiwei 'to maintain the balance of power in the Gulf of Pechili' menaced by Russia's action in the Liaotung territory.

*Lease of Weihaiwei to Great Britain*

[1] Talienwan was renamed Dalny by the Russians and Dairen by the Japanese.

[2] *Vide* Article V of Appendix III. While Russia was at liberty to make her own tariff arrangements inside the leased territory all goods leaving it for the interior of Manchuria or coming from the latter into the territory were liable to pay the regular Chinese customs duties, and for the assessment and the levying of these it was agreed that China could either establish customs offices on the frontier, or appoint the Chinese Eastern Railway to act as agents at Dairen (then Dalny) for the Chinese Maritime Customs and to assess and levy duty on their behalf. The Russian Government subsequently declared Dairen (then Dalny) a free port and its status as such remained unchanged when Japan took over the territory in 1905. In an agreement, however, concluded with China in 1907 provision was made for the establishment of a regular Chinese Maritime Customs Office at Dairen with a sub-office at Wafangtien, the frontier railway station. Goods destined for or coming from Manchuria may thus be examined and pay duty at either place according to the convenience of the persons immediately concerned. The delay in opening the Chinese Maritime Customs office at Dairen was due partly to the fact that no arrangements had been made for the opening of similar offices on the Russian frontier in the north (*vide* Article 10 of the Contract for the Construction of the Chinese Eastern Railway: Appendix I). It was in fact not till July of 1907 that Russia and China finally made arrangements regarding them.

*The question of the extension of the North China railway line to Newchwang*

A little later the two Powers again found themselves in opposition to one another—on this occasion over the question of the extension of the North China railway from Shanhaikwan to Newchwang. For the construction of this line the Chinese Government had contracted a loan with the Hongkong & Shanghai Banking Corporation on the security of the section already completed; but Russia objected to the mortgage of the line to a foreign company and demanded in addition that on the sections north of Tientsin the British engineer in charge of the construction work should be replaced by a Russian. A compromise was ultimately arranged as a result of which Great Britain gave way on the point of the mortgage and Russia on that of the engineer, and at the same time the two Powers came to a general agreement by which Great Britain undertook not to seek any railway concessions north of the Great Wall or to obstruct Russian applications for concessions in that region, while Russia bound herself in the same manner in respect of the Yangtze valley. A promise wrung from China the year following that if any lines were built under foreign auspices from Peking in a northerly or north-easterly direction Russian assistance would be sought first helped to consolidate still further her position in the north.

*Agreement between Great Britain and Russia regarding railway interests: 1899*

*China's promise to Russia regarding railways N. and NE. from Peking*

During these developments Japan maintained an attitude of outward calm and detachment although it was obvious that the national sentiment was deeply chagrined. It is conceivable that her rulers may have hoped that as Russia had obtained the coveted strategic position and an ice-free harbour in the Gulf of Pechili, she might now be in a mood to relax her political activities in Korea, which had for some time past been a cause of much apprehension to Japanese statesmen. At all events the Japanese Government chose this moment to propose that the two countries should come to an agreement by which Japan would bind herself not to interfere with Russia's policy in Manchuria in return for a similar engagement on the part of Russia with regard to Japan's policy in Korea. No success, however, attended the proposal, and the feverish rapidity with which the railway construction work and military and naval preparations were pushed forward, not only in the leased territory but also in Russia's far-eastern possessions generally, made clearly evident the ambitious nature of that country's designs.

*Japan's attitude with regard to the lease of the Liaotung peninsula*

*Opening of Dairen to trade*

In 1899 Dalny (Dairen) was declared a free port and open to foreign shipping and commerce.

The situation in China had in the meanwhile become

disquieting. The Manchu dynasty was unpopular, and anti-foreign feeling, intensified by the acts of aggression which followed the seizure of Kiaochow, ran high in the north, while in the south there was a growing movement in favour of reform along Western lines. With the latter the Emperor, a neurasthenic and inexperienced youth, was in deep sympathy and, acting upon the advice of his confidant and adviser Kang Yu-wei, the most advanced of the reformers, he determined to take the work of reconstruction in hand without delay. A series of decrees of the most sweeping character followed; but the mandarins, products of the old school, ignored them, and when the Emperor retaliated by punishing them for their disobedience they appealed to the Empress Dowager. That old autocrat promptly responded by forcing the Emperor to sign a decree of virtual abdication. The reform movement thereupon collapsed, and a period of intense xenophobia followed, culminating in the Boxer rising and the siege of the Legations at Peking in 1900. Originally confined to Shantung and the districts round Peking, this rising eventually spread to Manchuria, and strong forces of troops were dispatched thither by Russia to deal with it. Their methods were brutal but effective. At Blagovyeshchensk five thousand Chinese —men, women, and children—were driven into the river and drowned, the feeble resistance of the Chinese was everywhere easily overcome, the whole of Manchuria was occupied and treated as though it was conquered territory, and at Newchwang the Russian flag was hoisted and a Russian administration established.

*The Boxer Rebellion*

*Russia occupies Manchuria: 1900*

*Agreement between Great Britain and Germany regarding the territorial integrity of China: 1900*

In anticipation of the dangers latent in the negotiations following the relief of the Legations the British and German Governments concluded in the autumn of 1900 an agreement by which they engaged not to 'make use of the present complications to obtain for themselves any territorial advantages in Chinese dominions', to 'direct their policy towards maintaining undiminished the territorial condition of the Chinese Empire' and to 'uphold the principle of the open door at the treaty ports to the best of their ability'. They reserved, however, the right to come to an understanding regarding the steps to be taken in defence of their interests should some other nation endeavour to make use of the complications in China to obtain such territorial advantages in any shape whatever. To these principles the other Powers subscribed, Russia in fact claiming that she herself had already made proposals in much the same sense. In due course

the Allied troops were withdrawn; but those of Russia remained in occupation of Manchuria. It is true that they were partially demobilized; but their place was immediately taken by a force of railway guards twelve thousand strong. It is also true that Russia gave an assurance, the first of many, that the occupation was only temporary. Her sincerity, however, was quickly discounted. Not two months later rumours were current that she was trying to persuade China to consent to an agreement made between the Russian Governor of the Liaotung and the Tartar General at Mukden by which, in exchange for the reassumption by China of the administration of Manchuria, Russia was to be given a virtual protectorate over the latter. The Russian Government immediately denied the truth of the rumour; but in February of 1901 it became known that new demands were being made, and a month later the Chinese Government asked Great Britain and the United States to intervene. Protests, with which however Germany refused to be identified on the ground that her agreement with England in 1900 did not apply to Manchuria, were accordingly made at St. Petersburg, and these, combined with a stiffening in the attitude of China as a result of foreign support and the vigorous representations of some of her own Viceroys, induced Russia to stay her hand for the moment. Six months later, however, she returned to the charge. On this occasion her demands were considerably more moderate; but among them was one intended to secure special privileges for the Russo-Chinese Bank, and against this the Governments of the United States, Great Britain, and Japan protested. The last now realized fully the menace to her own interests in Korea implied in Russia's persistent attempts to obtain control of Manchuria and, casting about for means with which to meet it, decided that the most effective was a *rapprochement* with Great Britain. Tentative proposals made in this direction were favourably received, and after some negotiation the two Powers entered into a formal alliance which was embodied in an Agreement signed in January 1902. By this agreement, which was terminable after five years at one year's notice, the contracting parties recognized the independence of China and Korea and the special interests therein of Great Britain and Japan respectively, and bound themselves to maintain strict neutrality in the event of either of them being involved in war, but to come to one another's assistance if either were confronted with the opposition of more than one hostile Power. To this Russia and France replied with a Declaration

*Anglo-Japanese Alliance: 1902*

*Declaration by France and Russia: 1902*

expressing approval of the fundamental principles of the alliance but reserving the right to consult each other, if necessary, regarding the protection of their own interests. Almost simultaneously it was announced that an agreement [1] for the restoration of Manchuria to China had been concluded subject, however, to a condition, imposed by Russia, that no disturbance arose and that restoration was not prevented by the action of other Powers. By the terms of the agreement evacuation was to be completed in eighteen months, divided into three periods of six months each. During the first the Russian troops were to be withdrawn from the southern part of Manchuria up to the river Liao; during the second from the rest of South Manchuria and Kirin; and during the third from North Manchuria. It seemed as if this vexed question had finally been solved. Punctually by October of 1902 the first stage of evacuation was completed; but before the second six months expired Russia had put forward seven new conditions at Peking. Among these was one demanding that no new ports were to be opened in the evacuated territory. This in itself was disquieting, for it was matter of common knowledge that the United States and Japan were at the moment negotiating for the opening of Mukden, Antung, and Tatungkow. The Powers protested, and the Russian Government replied that no demands of the nature reported had been made. Any doubts, however, which may still have existed regarding her intentions were removed when, instead of continuing the process of evacuation, she began to send her troops back to districts west of the Liao from which they had been already withdrawn. This flagrant disregard of a formal undertaking was almost immediately followed by the appointment of Admiral Alexieff, the Governor at Port Arthur, as Viceroy of the Amur and of the Kwantung territories, an event which only deepened the suspicions of the Powers. To Japan in particular the situation was thoroughly unsatisfactory. Apprehensive as she was of developments in Manchuria, she was even more preoccupied with what might happen in Korea, a country in the fate of which she was profoundly interested, not only because of its bearing on her own national security but also for ulterior political reasons which were slowly taking shape in the minds of her statesmen. After China's defeat in 1894 she had assumed the self-imposed task of leading the Koreans along the path of reform; but her efforts in this direction met immediately with strenuous oppo-

*Agreement between Russia and China for the evacuation of Manchuria: 1902*

*Russia proposes new conditions*

*Russia and Japan in Korea*

[1] *Vide* Appendix IV.

sition from the powerful anti-Japanese party headed by the Queen and from the Russians, who had taken the place vacated by China and now challenged Japan's supremacy. They were materially assisted in the contest which followed by the murder of the Queen in 1896 at the instigation of the Japanese Minister, Count Miura. Determined though Japan was not to yield, there can be no question that she dreaded the possibility of an open break with Russia and, accordingly, she took advantage of the presence of General Marquess Yamagata at the Coronation ceremonies of the Tsar in 1896 to suggest a compromise. The result was the Yamagata-Lobanoff Convention, by which the two Powers agreed to support the Korean Administration and to discuss in a friendly spirit any problems which might arise. Two other agreements on the same lines followed later. They were all equally fruitless; Russia's policy in Korea became even more provocative than before, while every day the situation in Manchuria grew more threatening. Anxiety was intensified by reports that Russian troops were filtering into the districts bordering on the Yalu River, where a Russian ex-officer named Bezobrazoff had acquired a valuable timber concession in which the Tsar himself was believed to be financially interested. Driven at last to the wall, the Japanese Government made a final attempt to come to terms in the summer of 1903 and submitted a draft proposal containing six articles as a basis for an understanding. These articles bound

*Yamagata-Lobanoff Convention: 1896*

(1) both parties to respect the independence and the territorial integrity of China and Korea;

(2) Russia to recognize Japan's dominant interests in Korea and Japan to recognize Russia's special railway enterprises in Manchuria;

(3) both parties not to obstruct the commercial development of these interests as long as they were in keeping with Article 1;

(4) both parties, if dispatching troops in defence of these interests, to send no more than the minimum necessary and to withdraw them as soon as their purpose was accomplished; and

(5) Russia to recognize Japan's exclusive right to advise and assist Korea in the interest of reform.

The negotiations which followed dragged on for several months, during which in her anxiety to avoid a rupture Japan made various concessions; but it was of no avail. She was unable to obtain any satisfactory reply from Russia and, finally, in despair, broke off the negotiations with the intimation that she would take such independent action as was necessary to defend her menaced position and to protect her rights and interests. Diplomatic

relations were severed, and on the 10th of February, 1904, Japan declared war. China remained neutral. The conflict ended in the defeat of Russia and the abandonment of her ambitious designs in South Manchuria.

## III. The Period of Japanese Aggression: checked by the Washington Conference.

*Treaty of Portsmouth: 1905*

In the Treaty of Portsmouth,[1] which brought the war to a close, six articles—the 2nd, 3rd (with supplement), 4th, 5th, 6th, and 7th—deal with matters relating to China and Korea. Their substance is as follows:

1. Russia acknowledged Japan's 'paramount political, military, and economical interests' in Korea and engaged not to 'obstruct or interfere with the measures of guidance, protection, and control' which Japan might take in that country;
2. Both countries engaged to evacuate Manchuria and to restore it to China;
3. Russia declared she had in Manchuria no 'territorial advantages or preferential or exclusive concessions' calculated to impair Chinese sovereignty or inconsistent with the principle of equal opportunity;
4. Both countries engaged not to 'obstruct any general measures common to all countries which China might take for the development of the commerce and industry of Manchuria';
5. Russia transferred to Japan, subject to the consent of China, the lease of the Liaotung peninsula and the railway between Kwanchengtzu (Changchun) and Port Arthur with its branches and coal mines; and
6. Both countries engaged to exploit their respective railways in Manchuria for commercial and industrial purposes only and not for strategic purposes, but reserved the right to maintain guards (not exceeding fifteen per kilometre) for their protection.

The terms of peace were very unwelcome in Japan. The nation, which had confidently expected a substantial indemnity, was incensed to find that the only tangible reward for a vast expenditure of life and treasure was a railway, two strips of territory in Manchuria and Sakhalin, and some fishing rights in the Okhotsk and Behring Seas; and popular feeling vented itself in riots in Tokyo, Kyoto, and other cities. As far as China was concerned the position was not greatly altered, for although she regained administrative control of Manchuria, she had now two Powers, each in control of railways, to deal with instead of one. Japan, however, proved at the outset more conciliatory in her methods than Russia had been.

[1] *Vide* Appendix V.

*Renewal of the Anglo-Japanese Alliance: 1905*

In the same year the Anglo-Japanese Alliance was renewed in an extended form, Great Britain recognizing her ally's position in Korea, subject to the condition that any measures taken for the safeguarding and advancement of Japan's interests in that country did not conflict with the 'principle of equal opportunity for the commerce and industry of all nations'. A few months later Korea became a Japanese Protectorate.

*Harriman proposal for an international railway across Siberia*

Towards the close of the negotiations for peace between Japan and Russia an American railway magnate, Mr. Harriman, conceived the idea of turning the railways connecting Europe with the Far East into a great international enterprise and, while on a visit to Japan, he communicated his scheme to members of the Government and to some of the leading financiers, suggesting that Japan might become a party to it, contributing as her share the section of the Chinese Eastern Railway which Russia was surrendering to her. The idea met with approval, and matters advanced so far that a rough draft of an agreement was actually drawn up by him and Prince Katsura, the Prime Minister, providing for the formation of a Japanese company—in which both parties should have equal rights and interests—to raise the capital necessary for the purchase of Japan's portion of the line. But other influential persons, including Baron Komura, who had in the meanwhile returned from the peace negotiations, were so strongly opposed to the idea of co-operation that the arrangements already made with Mr. Harriman were cancelled and it was decided to operate the line as a purely Japanese enterprise under Government control. It is possible that Baron Komura and his associates may have realized more clearly than Prince Katsura the possibilities offered by a monopoly; but the fact that the latter had seriously contemplated accepting the American proposal would seem to dispose of the suggestion that Japan had already deep-laid political designs regarding Manchuria.

*Treaty and agreements between Japan and China: 1905*

China's consent to the transfer of the leased territory and the railway to Japan was accorded in a treaty signed at Peking on the 22nd of December 1905.[1] To this was attached an additional agreement in which (1) provision was made for the opening of certain towns in Manchuria to foreign trade, (2) Japan was granted a concession to rebuild and exploit for fifteen years the temporary railway laid between Antung and Mukden during the war, and (3) the position of the railway guards whom Japan and Russia proposed to maintain under the terms of the Treaty

[1] *Vide* Appendix VI.

of Portsmouth was more or less regulated. Finally, in a secret protocol China bound herself to (1) borrow from Japan half the capital needed for the construction of the Kirin–Changchun (Kwanchengtzu) railway,[1] (2) to buy the Japanese military line between Mukden and Sinminfu (Hsinmintun) and to reconstruct it, borrowing from Japan half the capital required for the section east of the Liao River, and (3) not to build any main line near or parallel to the South Manchuria Railway[2] or any branch line prejudicial to its interests as long as that line remained in Japan's possession. More detailed arrangements regarding the two first of these lines were made in 1907, 1908, and 1909, and as most of the conditions then imposed on China appear in later agreements made with Japan for railway loans in Manchuria, it may be interesting to enumerate here the more important. They were:

*Loan agreements regarding the Mukden–Sinminfu and Changchun–Kirin Railways*

1. the Chinese Government guaranteed repayment of loan and interest;
2. the security offered was the line and its revenue;
3. the earnings of the line were to be deposited in Japanese banks;
4. the engineer-in-chief and, in the case of the Kirin–Changchun line, the chief accountant were to be Japanese;
5. the line must be connected with the South Manchuria Railway; and
6. in the case of the Kirin–Changchun railway, if branch lines or extensions were built China must apply to Japan for help if capital were needed.

*Administration of the leased territory*

The administration of the territory ceded by Russia was entrusted to a military Governor-General, who was assisted by a civilian governor and civil administrators; but his functions were not confined to the leased territory; he was charged as well with the supervision and the protection, by military force if necessary, of the railway and its branches; and he exercised at the same time a certain measure of control over consular officials in Manchuria. In 1919, however, popular feeling against the system of confining the highest administrative post in colonies to soldiers became so strong that it was abandoned, and civilians also were made eligible. As a result the Governor of the leased territory has since then almost always been a civilian.

*Formation of the South Manchuria Railway Co.: 1906*

In August 1906 the South Manchuria Railway Company was established by Imperial Decree[3] to take over and operate the

[1] Kwanchengtzu is the name of the Russian terminal station, Changchun that of the Japanese. Both take their names from Chinese towns hard by.

[2] The name subsequently given to the section of the Chinese Eastern Railway ceded by Russia.

[3] *Vide* Appendix VII.

former Russian railway, with the branch line from Tashihkiao to Yingkow and the Antung–Mukden railway. The capital was originally fixed at two hundred million *yen* (£20,000,000) [1] divided into shares of two hundred *yen*, which could only be held by Japanese and Chinese. Of this amount half was subscribed by the Japanese Government in the shape of the railway itself with its properties and the coal mines at Fushun and Yentai. The Government also guaranteed a dividend of six per cent. for fifteen years and waived its claim to a share when the profits did not reach that figure. The company's activities were, however, not limited to the operation of the railway. It was also authorized to engage in mining, water transportation, electrical enterprises, the sale on commission of goods carried by it, warehousing, business related to land and buildings on its properties, and in any other enterprise the Government might think fit. Public works, education, sanitation, and similar matters were also entrusted to its control in the railway area and, to defray the expenses incurred for these various purposes, it was allowed to levy fees on residents within that area. At present the company owns five hotels, fourteen hospitals, seventy schools of various kinds for Japanese or Chinese, a number of agricultural experimental stations and model farms, a medical college at Mukden, a technical school and a teachers' training college at Dairen, a polytechnic laboratory, seventeen waterworks stations, and a large iron foundry at Anshantien. It was in fact meant to be a great colonization corporation, but under complete government control. How complete this control is may be inferred from the fact that the President, Vice-President, and Directors must all be Government nominees, that the business of the company must be carried on under official supervision and subject to official instructions, and that any measure taken by the company which meets with official disapproval is liable to cancellation and the persons responsible for it to dismissal.

*Foreign complaints of discrimination*

A considerable period naturally elapsed before the evacuation of the Japanese troops was completed. During that time Dairen, Newchwang, the railway, and a great part of southern Manchuria were under military administration, and all access to the interior was refused. Foreign merchants, unable to reach their markets, were indignant, protesting that this restriction was enforced against them only and not against their Japanese competitors, who were thus able to secure an advantageous

[1] Subsequently increased to £44,000,000.

position in advance; but the Japanese denied this and said that the only Japanese merchants in Manchuria were army contractors, any others who got in were 'smugglers'. It was also asserted that Japanese merchandize was carried free of charge while foreign commodities were refused transportation facilities notwithstanding the fact that the railway was supposed to be open to traffic, that in consequence of Dairen being closed to foreign vessels goods for that port had to be shipped in Japanese bottoms, with the results that there was much delay in landing them, and that at Newchwang *likin* charges were imposed on foreign merchandize destined for the interior, while Japanese was exempt. This by no means exhausted the list of grievances. Official representations were made in Tokyo; but the Minister for Foreign Affairs denied categorically the existence of any discrimination and said that his Government was determined to carry out both in Manchuria and in Korea the principle of the 'open door'. Later, in the summer of 1906, the China Association [1] sent a mission to Newchwang to investigate matters; but after a very comprehensive inquiry, in the course of which every facility appears to have been afforded by the Japanese authorities, it came to the conclusion that no satisfactory proof of deliberate discrimination was obtainable and that the advantages which Japanese traders enjoyed were due mainly to the freedom of access afforded by Dairen, and were hardly greater than was to be expected under the conditions prevailing. Matters improved when that port was opened to foreign trade later in the year, and still more in 1907, when the Chinese Maritime Customs began to function in the leased territory and in the Russian railway area in the north; but the suspicions aroused during the period of military administration were not easily dispelled, and accusations of discrimination continued. In 1908, for instance, the China Association complained of various obstructions put in the way of British shipping at Dairen; but the Japanese Government again denied that this was the case. A belief was also general that Japanese goods benefited by some obscure system of secret rebates, and this belief found expression in a protest made by American textile manufacturers that the Japanese administration of the railways in Manchuria was

[1] The China Association, which has its headquarters in London, was founded in 1899 for the purpose of watching over British commercial interests in China. It is a powerful organization and it numbers among its members practically all the big business houses having dealings with that country.

affecting their trade adversely. No satisfactory proof of the existence of these rebates could, however, be obtained and, when in 1911 members of the China Association again made investigations on the spot, they came to the conclusion that discrimination in favour of Japanese trade in Manchuria, if it ever existed, was a thing of the past. This was, however, not the last heard of this subject. In 1913, after the conclusion of the Agreement with China by which goods transported to or from Manchuria through Korea were allowed a rebate of one-third of the usual customs duties,[1] the Railway Bureau in Tokyo instituted a system of rebates in favour of certain classes of goods (including cotton) exported by the Japan Cotton Spinners' Association overland via Korea for Manchuria, and pressure was brought to bear on the South Manchuria Railway Company to grant a similar rebate along its own line from Antung north. The Company, regarding this as a threat to the prosperity of Dairen, refused and, when finally forced to comply, retaliated by granting a similar rebate to goods transported north from Dairen. The question was ultimately settled by making the rebate also applicable to goods transported from Japan by sea to Antung or Dairen for the interior; but the British and the United States Governments protested against these arrangements as discriminatory against not only Newchwang but also foreign ports and foreign vessels. It was impossible to contest the justice of the argument, and the Japanese Government finally agreed to make the rebate of general application, subject to certain conditions in the case of foreign vessels.

*Antung–Mukden railway*

It will be remembered that, by an agreement signed on the 22nd of December, 1905, China conceded to Japan the right to reconstruct the temporary military line between Antung and Mukden and to operate it for a period of fifteen years, to which, however, were to be added a further twelve months for the evacuation of the troops and two years for the work of reconstruction. The total period was therefore eighteen years. At the end of that time the line was to be sold to China at a price fixed by a foreign expert selected by both sides. It was further agreed that commissioners were to be appointed by each side to arrange the form reconstruction should take. China,

[1] By Article V of the Land Trade Convention of 1881 between Russia and China goods imported overland from Russia into China enjoyed a similar rebate. In addition no duties at all were levied along the frontier of the two countries within a radius of 50 versts (33 miles). This free zone was, however, abolished in 1912.

however, resented having to grant the concession at all and was determined to obstruct the progress of the arrangements as much as possible, while on the Japanese side there was delay in taking matters in hand. Much time was wasted in private negotiations, and it was not till the beginning of 1909 that Japan officially requested the Chinese Government to appoint a Commissioner to confer with those representing Japan. China complied with this request, and a joint survey having been made of the whole route, with the exception of a small portion reserved for future negotiation, Japan proposed to start the work of reconstruction. At this point China, in pursuance of her policy of obstruction, raised the questions of police authority in the railway zone generally and of the withdrawal of the railway guards and, when Japan protested, retorted by demanding that reconstruction should be confined to the existing track and that the gauge (2 ft. 6 in.) should not be altered. The controversy which followed was finally cut short in 1909, when Japan informed China that she proposed to take independent action and would rebuild the line in accordance with the survey already made. There was a further faint-hearted attempt at obstruction on the part of the Chinese Government; but, this proving fruitless, a memorandum sanctioning reconstruction on the lines proposed by Japan was at last signed at Mukden on the 19th of August, 1909. The railway was not, however, opened to traffic till 1913.

*Sinminfu-Fakumen railway*

Another complication arose in 1907 when China, with a view perhaps to embroiling Japan with Great Britain, revived an old project to build a railway from Sinminfu to Fakumen, and started negotiations for the purpose with a British firm of contractors, Pauling & Co. On learning of this the Japanese Government warned China that the scheme was a breach of the protocol of 1905 and therefore unacceptable; but the warning, although twice subsequently repeated, went unheeded, and an agreement was concluded with the British firm. Japan then revised her attitude and offered to accept the arrangement if China would engage to extend the line to a point on the South Manchuria Railway. China refused, and proposed instead to refer the question to the Hague; but to this Japan demurred. Thus matters dragged on till 1909, when China finally dropped the scheme and agreed not to construct the line without previous arrangement with Japan. The controversy naturally attracted attention in England, and protests were made that Japan's action was a

breach of her engagement in the Treaty of Portsmouth not to obstruct any measures China might take for the development of Manchuria. This view was not, however, supported by the British Government.

*Convention between Japan and Russia regarding Manchuria: 1907*

Community of interests in face of the outer world was now slowly drawing Japan and Russia, late antagonists, together. The first public evidence of this was a political Convention signed in July 1907.[1] In this the two Governments bound themselves to respect their respective territorial integrity and the rights they had acquired from China, proclaimed their mutual recognition of 'the independence and the territorial integrity of the Empire of China and the principle of equal opportunity in whatever concerns the commerce and industry of all nations in that empire', and engaged 'to sustain and defend the maintenance of the *status quo* and respect for this principle by all the pacific means within their reach'. The last clause was a rejoinder to the Sinminfu–Fakumen project. In the same year Japan and France made a somewhat similar agreement in which they engaged to respect China's independence and integrity and the principle of equal opportunity and to support each other in the maintenance of their respective territorial rights.

*Agreement between Japan and France: 1907*

*Chinchowfu–Aigun railway scheme*

Throughout the negotiations which preceded the Russo-Japanese War and during that conflict feeling in the United States had been distinctly favourable to Japan; but this changed later as suspicions slowly gathered strength that in Manchuria Japan had inherited Russia's ambitions as well as her possessions. It was under the influence of these suspicions that Mr. Willard Straight, the United States Consul at Mukden, in co-operation with the Viceroy of the Three Eastern Provinces, proposed in 1908 to important railway and financial interests in the United States with which he was in close touch that a loan of twenty million dollars should be made to the Manchurian Provincial Authorities, which would carry with it the right to establish a bank to act as the agent of the Manchurian administration in the promotion of various enterprises, including railways. Among the last was a project for a line from Chinchowfu to Aigun. The idea was favourably received in the United States; but owing to political changes in China the loan negotiations fell through, and the scheme was finally confined to the construction of the railway just mentioned. Messrs. Pauling & Co., the contractors for the proposed Sinminfu–Fakumen line, then under discussion,

[1] *Vide* Appendix VIII.

were invited to participate, and accepted. The project thus became Anglo-American. While these events were happening the Root–Takahira Agreement of 1908 was concluded,[1] by which the United States and Japan proclaimed their intention to maintain the *status quo*, to support the independence and integrity of China and the principle of equal opportunity by all pacific means at their disposal and to communicate with each other regarding the measures to be taken if the *status quo* or the principle of equal opportunity were threatened. The negotiations for the construction of the Chinchowfu–Aigun railway were successfully concluded by an agreement signed at Mukden in October 1909, and a month later Mr. Knox, the United States Secretary of State, suggested to the British Government that, as this agreement had been practically ratified, the two countries might participate in the enterprise. At the same time he proposed that a loan should be advanced to China for the immediate repurchase of all the railways in Manchuria and that, pending its repayment, they should be put under international control. This was the famous Knox internationalization scheme. The British Government replied expressing approval of the general principle of internationalization, but advising postponement of its consideration till negotiations then in progress for a loan on the Hukuang railways were concluded and, with regard to the Chinchowfu–Aigun project, suggested that Japan should be asked to participate. His Majesty's Government was, in fact, in a difficult position because, as Sir Edward Grey subsequently explained in Parliament, Great Britain was bound by her agreement with Russia in 1899 not to seek railway concessions north of the Great Wall, and she could therefore give no active support to this particular scheme till China had arranged matters with that Power. Russia and Japan, as might have been expected, scouted the idea of internationalization.[2] They failed, they said, to see anything in the conditions then existing in Manchuria to justify such a measure; while to the Chinchowfu–Aigun railway Russia was flatly opposed on the ground that it would be injurious to her economic and strategic interests. In face of this opposition nothing could be done, with the result that the whole scheme fell to the ground. Russia and Japan followed up their refusal by warning China not to discuss projects of this nature in future without first approaching them, and they then proceeded to clinch matters by making a convention [3] in which they

*Root-Takahira Agreement: 1908*

*Knox internationalization scheme: 1909*

*Convention between Japan and Russia regarding Manchuria: 1910*

[1] *Vide* Appendix IX. [2] *Vide* Appendix X. [3] *Vide* Appendix XI.

pledged themselves again to maintain the *status quo* in Manchuria 'as it results from all the treaties, conventions, or other arrangements hitherto concluded, either between Russia and Japan or between these two Powers and China' and to consult one another regarding the measures to be taken for its defence should it be menaced. Such was their final reply to the American project. The United States, however, continued its watch on developments in Manchuria, and when in 1909 Japan obtained, in an agreement dealing with the Tashihkiao–Yingkow line and the Fushun mines, a promise from China that all mines along the Antung–Mukden line and the South Manchuria railway should be exploited as joint Sino-Japanese enterprises, America inquired if this was meant to exclude foreigners from mining in those localities. Japan replied that it was not and endeavoured to explain that the real object of the stipulation was to prevent independent exploitation either by China or Japan.

*Agreement between Japan and China regarding mines along the railway: 1909*

In 1908 China and Japan succeeded in settling amicably a long-standing dispute over the telegraph lines laid by the latter in Manchuria during the Russo-Japanese War. It was agreed that all those outside the railway area should be handed over to China on payment of fifty thousand *yen* but that, in return, at certain open markets near the railway one or two wires should be reserved for the exclusive use of the Japanese Government for fifteen years. Another difference was composed in the year following in connexion with the question of jurisdiction over the Korean settlers in Chientao, a district of uncertain area on the northern frontier of Korea, to which both that country and China laid claim. It was arranged that jurisdiction should remain with China but that Japanese consular officers might be present when cases affecting Koreans were tried. In exchange for this concession China engaged to open four places in the district to foreign trade. Chientao, however, was fated to be again the cause of trouble between the two countries. The region is remote, unsettled, full of Korean malcontents, and infested by Hunghutzu bandits. In 1920 the Japanese Government warned the Chinese that an incursion by a large band of these men was imminent, and requested that China should join with Japan in taking precautions to forestall it. The request was ignored, and when the anticipated raid took place a Japanese Consulate was burnt and a number of Japanese were killed. The Government in Tokyo promptly dispatched troops to restore order and protect its nationals; but their operations were conducted with such

*Chientao: Disputes in 1909 and 1920*

brutality that loud protests were raised in the foreign Press. Eventually matters settled down and the troops were recalled; but as a precaution against the future the number of police attached to the various Japanese Consulates in the district was increased. Japan, it is hardly necessary to add, supports the contention that Chientao is really Korean territory. In 1910 Korea was annexed to Japan, and in 1911 the Anglo-Japanese Alliance was renewed for ten years, the two Powers reaffirming their adherence to the principles of the 'open door' and the independence and territorial integrity of China, and binding themselves in addition to support one another in the maintenance of their territorial rights in Eastern Asia and India and in the defence of their 'special interests' in those regions.

*Renewal of Anglo-Japanese Alliance: 1911*

*Overthrow of the Manchu dynasty: 1911*

In the same year the Manchu dynasty was overthrown and China became a Republic. The country was at once plunged into a state of unrest from which it has not yet emerged; but in Manchuria no disturbance marked the change of régime. This was partly due to the presence of Russia and Japan and to their determination in their own interests not to allow that part of China to be made the cockpit of warring factions. The Manchu governors of the three provinces were, however, also strong and capable men, in particular Chang Tso-lin, the ex-bandit chief who had fought for the Japanese during the war with Russia and who, as ruler of Mukden, was for some years to come to show himself fairly amenable to their advice and control. Japan too had consolidated her position effectively. Most of the vexatious legacies of the war with Russia had been disposed of, and a brief respite now ensued in the perpetual struggle between China and herself in Manchuria. Between 1911 and the outbreak of the Great War practically the only event of diplomatic interest to record is the conclusion in 1913 at Peking of an agreement dealing with certain railways. By this China engaged to raise a loan from Japanese sources for the construction of (1) a line from Ssupingkai via Chengchiatun to Taonanfu, (2) another from Kaiyuan to Hailungcheng, and (3) a third from Changchun to Taonanfu. At the same time she promised that if a railway were built from Taonanfu to Jehol[1] and foreign capital were needed for the purpose Japan would be approached first for assistance. It is possible that these arrangements had some con-

*Railway agreement between China and Japan: 1913*

[1] It was subsequently agreed in 1918 that this line should be extended to the sea. The Taonanfu-Jehol line was Japan's contribution to the Consortium pool in 1920.

nexion with the 'Nanking affair', in which damage had been done to Japanese life and property by the soldiers of Chang Hsun earlier in the year.

*Building of certain lines on the Eastern Inner Mongolian border*

The two last of the three lines just mentioned have not yet been built; but in 1915 the Chinese Government made a contract with the Yokohama Specie Bank for the flotation of a gold loan for the construction of the Ssupingkai–Taonanfu line on terms somewhat similar in form to those of the Sinminfu–Mukden and Kirin–Changchun agreements referred to earlier, with the additional condition that Japanese material was to be given preference if of the same price and quality as any other offered. Conditions being adverse, the loan could not be floated, so the Bank itself made an advance for initial expenditure. This contract was in 1919 merged in the agreement made with the South Manchuria Railway Company for the flotation of a loan for the construction of a line from Chengchiatun to Taonanfu, with a branch line to Tungliaochen (Paiyintala). In this case also it was found impossible to raise money in the way desired, and the South Manchuria Railway Company thereupon advanced the necessary funds in a series of short-term loans which now, with the Bank advance just referred to, amount to about thirty-two million *yen*. The Ssupingkai–Taonanfu line was built by the Chinese themselves; but part of the Chengchiatun–Taonanfu railway was constructed by the South Manchuria Railway Company. It also built a little later for the Mukden Provincial Government a line from Taonanfu to Angangki on the condition that any balance left unpaid after the completion of the work was to be converted into a forty year loan bearing nine per cent. interest. The lines in question are now in operation; but they do not appear to have been paid for.

*Jurisdiction inside the area of the Chinese Eastern Railway*

It is convenient at this point to deal with the question of Russia's claim to exercise jurisdiction within the Chinese Eastern Railway zone, which had for some time been a matter of controversy between her and other Powers, notably Great Britain and the United States. It will be remembered that by the terms of the contract of 1896 the railway company was given the 'absolute and exclusive right of administration of its lands'. This right Russia proposed to interpret as practically implying political control over every one living inside the railway area, and with this purpose in view she secured China's consent in 1909 to the establishment of municipal councils in that zone which would have jurisdiction over all residents, irrespective of nation-

ality, not only in ordinary matters of public utility but also in those relating to taxation and police. The Powers interested refused to agree to these arrangements, the United States pointing out that administration under the terms of the contract just referred to implied only business administration for railway purposes simple and not political administration, which remained vested in China and, further, that Russia's pretension was at variance with her own declaration in the Treaty of Portsmouth that she had in Manchuria no 'territorial advantages or preferential or exclusive concessions in impairment of Chinese sovereignty'.[1] The British Government took up the same position, and China herself repudiated the contention that she had surrendered to the Chinese Eastern Railway Company any right of sovereignty or political jurisdiction. The question was not finally settled until 1914. In that year Great Britain came to an arrangement with Russia by which she agreed that taxes destined for municipal and public purposes and for the common good only might be collected from British residents within the railway zone and that certain local regulations might also be enforced compulsorily provided they did not conflict with extraterritorial rights. Russia on her side conceded the right 'passive and active of election' to municipal assemblies and promised that the Police Authorities would give prompt effect to any requests made by British consular representatives for coercive measures against British subjects; but she engaged at the same time that in the absence of such requests no measures of that nature would be taken by the police on their own initiative unless a breach of the peace was involved. Certain other Powers, but not the United States, were also parties to this arrangement. America, while insisting on the same conditions as Great Britain with regard to the arrest of its nationals, claimed that the payment of taxes in the case of American citizens must be made through the United States Consul and regarded as voluntary.

When Japan took over the lease of the southern branch of the Chinese Eastern Railway she naturally inherited the privileges and the obligations set out in the agreement between Russia and China covering that lease. With the possible exception, however, of an attempt she is said to have made to levy income-tax on leaseholders in one of the South Manchuria Railway settlements, she does not appear to have interfered with the extra-

[1] *Vide* Appendix V.

territorial rights of foreign residents in the railway zone. Nor is she at all likely to do so in the future. When the Russians first put forward their claim to exercise jurisdiction the Japanese Minister for Foreign Affairs told the British Ambassador in Tokyo that he thought the Russian contention untenable, adding that the Japanese had no intention of following suit, and that any taxes they might impose on foreign leaseholders in the railway area would be solely for the maintenance of police, the upkeep of roads and similar objects.

*The Twenty-one Demands: 1915*

We now reach a period during which Japan had the field practically to herself in the Far East and was thus able to exploit China's weakness to the greatest advantage. The Great War broke out on August 4th, 1914, and on August 23rd Japan joined the Allied Powers. Kiaochow was invested and taken and, on the 18th of January, 1915, Japan presented to China, with strict injunctions to secrecy, the famous Twenty-one Demands. They were in five groups, four of which were subsequently communicated to the Powers. The fifth was withheld on the ground, so it was explained later, that it represented 'wishes' and not 'demands'. For the purposes of this memorandum it will be necessary to refer only to the second group and to the third item of the fifth.[1]

The second group opened with the assertion that the Chinese Government had 'always recognized the predominant position of Japan in South Manchuria and Eastern Inner Mongolia', and it contained the following demands:

1. that the leases of Port Arthur and Dairen and of the South Manchuria railway and the Antung-Mukden railway should be extended to ninety-nine years;

2. that Japanese subjects should have the right to lease and own land in South Manchuria and Eastern Inner Mongolia either for business purposes or for farming;

3. that Japanese subjects should be free to travel or reside in South Manchuria and Eastern Inner Mongolia and to engage in business or manufacture of any kind;

4. that China should give Japanese subjects mining rights in South Manchuria and Eastern Inner Mongolia, the mines to be exploited being fixed by the two Governments;

5. that China should obtain the consent of Japan (*a*) before giving permission to other nationals to build railways in South Manchuria or Eastern Inner Mongolia or to make loans for that purpose, and (*b*) whenever it was proposed to raise from a third Power a loan on the security of the taxes of South Manchuria or Eastern Inner Mongolia;

[1] *Vide* Appendix XII (*a*).

6. that in the event of political, financial, or military advisers being needed in South Manchuria or Eastern Inner Mongolia China should first consult Japan; and

7. that China should hand over the control of the Kirin-Changchun railway to Japan for ninety-nine years.

The third Article of the fifth group, after drawing attention to the frequent misunderstandings which had occurred owing to disputes between the Japanese and the Chinese police, expressed the 'wish' that in localities in which it was necessary the police should be placed under joint Japanese-Chinese administration or that Japanese should be employed to assist them.

The sweeping nature of Japan's demands filled China with profound dismay. The Powers, with the exception of the United States, were too preoccupied with the problems of the War to follow closely the course of events in the Far East. She could therefore not expect any substantial help from them and was moreover herself defenceless and split with dissension. The outlook seemed desperate. Nevertheless China proceeded to offer such resistance as she could. In February she put forward counter-proposals. It will of course be remembered that here we are only occupied with the second group of demands. She agreed to the extension of the leases of Port Arthur and Dairen and of the South Manchuria Railway, and she signified her willingness to make certain other concessions regarding the Antung–Mukden line, the opening of new markets to trade, mining, railway loans, and advisers, but made no reference to Eastern Inner Mongolia or the Kirin–Changchun railway. By April the force of foreign opinion was beginning to make itself felt a little, and the revised demands which Japan put forward then were more moderate. Among them, however, was a claim for the cancellation of the right to repurchase the South Manchuria railway after thirty-six years. China replied with a final amended project on the 1st of May containing further concessions. This also was unacceptable, and on the 7th of the month Japan sent her an ultimatum. In the course of this China was informed that as a mark of 'sincere good will' the whole of the fifth group of the demands would be reserved for future discussion; but she was also warned that the others must be accepted without further amendment, failing which Japan would take such independent action as seemed necessary. Two days were allowed for a decision. On the 8th of May China bowed to the inevitable, and on the 25th of the month the negotiations

were brought to a conclusion by the signing of two treaties, one dealing with Shantung and the other with Manchuria, and by the exchange of a number of identic Notes.[1] Japan's demands in their final form were somewhat modified; but the privileges she finally secured and for which, it may be remarked, she is now paying a heavy price, were nevertheless sufficiently substantial. These were her gains:

*Treaty of 1915 between Japan and China on the subject of Manchuria*

1. the extension of the leases of Port Arthur and Dairen and of the South Manchuria and the Antung-Mukden railways to ninety-nine years;

2. the right of Japanese subjects (*a*) to lease land in South Manchuria (on a long lease with unconditional renewal) and to erect on it buildings for purposes of trade, manufacture, or agriculture, (*b*) to reside and travel in South Manchuria and to engage in business and manufacture of any kind, and (*c*) to undertake agricultural enterprises and industries connected with them in co-operation with Chinese; and

3. the promise of the Chinese Government that (*a*) certain places in Eastern Inner Mongolia should be opened to foreign trade and (*b*) that a fundamental revision of the Changchun-Kirin railway loan agreement would speedily be undertaken.

With regard to the question of jurisdiction, an important one in view of the privileges obtained in the matter of residence and of the lease of land, it was agreed that:

(*a*) Japanese subjects availing themselves of these privileges must register their passports with the Chinese local authorities and submit to Chinese police laws and taxation regulations, with the proviso, however, that the Chinese authorities should come to an understanding with the Japanese Consul before enforcing them;

(*b*) that civil and criminal cases in which the defendants were Japanese should be tried by the Japanese Consul, and those in which the defendants were Chinese by the Chinese authorities, with the proviso in each case that an official of the defendant's nationality might be present at the trial;

(*c*) that mixed civil cases relating to land should be tried by delegates of both countries conjointly in accordance with Chinese law and local custom; and

(*d*) that when the judicial system of that part of China was completely reformed all cases concerning Japanese should be tried entirely by Chinese law courts.

In the Chinese official statement issued shortly afterwards on the subject of these negotiations the Chinese Government declared that although it was 'constrained to comply in full with the terms of the ultimatum' it disclaimed 'any desire to associate itself with any revision, which may be thus effected,

[1] *Vide* Appendix XII (*b*).

of the various conventions and agreements concluded between other Powers in respect of the maintenance of China's territorial independence and integrity, the preservation of the *status quo*, and the principle of equal opportunity for the commerce and industry of all nations in China'.

*United States protest against the treaties of 1915*

The only Power which protested against these arrangements —or was indeed in a position to do so—was the United States. In March, 1915, the Secretary of State addressed a Note to the Japanese Ambassador at Washington in which, after citing the various occasions on which the Powers had endorsed the principle of the 'open door', he expressed the opinion that some of the rights and privileges which Japan was seeking to obtain from China were in conflict with the treaty rights of the United States. Again, later, on the eve of the signing of the treaties just mentioned, the American Government sent identic Notes to both Japan and China in which it declined to recognize any agreement made between the two countries which impaired the treaty rights of the United States or its citizens, the political or territorial integrity of China, or the principle of the 'open door'. Finally, at the Washington Conference in 1921, when the Chinese Representatives asked that the treaties of 1915 should be cancelled, Mr. Hughes reaffirmed these Notes and said that the position then taken by his Government was still maintained.

*Agreement between Russia and China regarding Barga: 1915*

In the same year Russia strengthened her position in the north by concluding an agreement with China on the subject of Barga (Barukh or Houlunbouir), a district in the north-east corner of Mongolia in which the important railway stations of Hailar and Manchouli are situated. The Barukhs had declared their independence in 1912; but China had refused to recognize it, and Russia, anxious for the benefit of frontier relations and in the interest of the Chinese Eastern Railway to have conditions settled, offered to mediate. The offer was accepted, and it was eventually agreed that Barga should form a special district under the control of China, but that all taxes levied, except the customs and the salt gabelle, should be devoted to local needs and that no Chinese should be allowed to hold land save on a lease for a fixed term. If disorders broke out China was at liberty to send troops to suppress them, subject to the condition that she informed Russia in advance of her intention and that they were withdrawn as soon as order was restored. In return for her services as mediator Russia obtained an option on foreign loans for railway construction, and the Chinese Eastern Railway and

other Russian concessionaires were allowed to build branch lines for the transport of materials and of products for export. The effect of this arrangement was to place Barga under the special protection of Russia. This state of affairs did not, however, last long. In 1920, when Russia was no longer a power to fear, Barga's special administration was abolished, and the district became once more an integral part of China.

*Chengchiatun Incident: 1916*

The ink of the treaties of 1915 was hardly dry when China and Japan found themselves involved afresh in controversy in Manchuria. In the summer of 1916 at Chengchiatun, a town on the Mongolian border, a quarrel took place between Japanese and Chinese soldiers in the course of which some of the former were killed and a civilian was wounded. Japan complained that the Chinese were the aggressors and demanded, in addition to the punishment of all concerned even remotely in the incident, that Japanese police officers should be stationed at any place in South Manchuria or Eastern Inner Mongolia where their presence seemed necessary for the protection of their nationals and that Japanese police advisers should be employed by the Manchurian provincial administration. The following *desiderata* were also put forward:

(1) that Japanese officers should be employed as advisers to the Chinese troops in South Manchuria and Eastern Inner Mongolia and as instructors in military cadet schools;

(2) that the Military Governor at Mukden should apologize in person to the Governor-General at Port Arthur and to the Consul-General at Mukden; and

(3) that compensation should be paid to the families of the killed and injured.

The Chinese Government pointed out in reply that the Governor at Mukden already had a Japanese military adviser, and it declined to employ advisers or instructors in any of the other capacities desired, adding, with regard to the question of police officers, that as Japan had engaged in the treaty of 1915 that her nationals should submit to the police and taxation regulations of China, the employment of such officers could only result in the impairment of the spirit and of the form of Chinese sovereignty. The controversy dragged on for some time, but was eventually settled by a compromise. Japan dropped her demands regarding police officers, advisers, and instructors, and China agreed that the general in command of the division to which the soldiers involved in the incident belonged should be reprimanded and the officers responsible punished by law, that

an indemnity of five hundred dollars should be paid to the civilian injured, that apologies, under slightly modified conditions, should be made, and that an official notification should be issued in districts where Chinese and Japanese lived together calling on every one to treat Japanese soldiers and civilians with consideration.

*Treaty between Japan and Russia: 1916*

Japan and Russia appear at this period to have contemplated the possibility of their dominant position in Manchuria being disputed. By way, therefore, of warning they concluded in 1916 a treaty in which each Government bound itself not to be a party to any arrangement or political combination directed against the other and, in the event of the territorial rights or special interests of either in the Far East being menaced, to confer as to the measures to be taken in co-operation for their defence.[1] According to official documents discovered at Petrograd at the time of the Revolution in 1917 the two countries simultaneously made a secret military alliance by which they engaged to come to each other's assistance should any measures taken by one of them in defence of its interests, but with the consent of the other, result in war with a third Power. It may here be mentioned that Great Britain had already recognized Russia's 'special interests' in North Manchuria, Mongolia, and Chinese Turkestan in 1913 when there was some danger that if this were not done the latter Power might break away from the Consortium.

*Projected sale of part of the southern section of the Chinese Eastern railway to Japan: 1916*

A little later in the year Russia agreed to sell to Japan the portion of the Chinese Eastern Railway line lying between Laochiatun and Changchun—a strip of about sixty miles. This would have proved a valuable acquisition to the South Manchuria Railway Company because Laochiatun is close to the Sungari River, and the Company would thus have been in a position to tap the thriving junk-borne traffic of the fertile agricultural districts along the banks of that stream. Before the transaction could be completed, however, the Tsarist régime was overthrown.

*China declares war against Germany: 1917*

*Lansing-Ishii Agreement: 1917*

On August 14th, 1917, China finally declared war against Germany and Austria, and shortly afterwards Viscount Ishii left Japan for the United States on the mission which resulted in the Lansing-Ishii Agreement.[2] This took the form of an exchange of identic Notes, of which the most important feature was a clause dealing with the question of 'special interests'. In this the principle was accepted that 'territorial propinquity

[1] *Vide* Appendix XIII. [2] *Vide* Appendix XIV.

creates special relations between countries', in consequence of which the United States recognized that 'Japan has special interests in China, particularly in the part to which her possessions are contiguous'. This admission was followed, however, by the qualification that the territorial sovereignty of China nevertheless remained unimpaired and that the United States had every confidence 'in the repeated assurances of the Imperial Japanese Government that while geographical position gives Japan such special interests they have no desire to discriminate against the trade of other nations or to disregard the commercial rights heretofore granted by China in treaties with other Powers'. This again was followed by a denial on the part of both Governments of any intention 'to infringe in any way the independence or territorial integrity of China', and by a declaration of adherence to the principle of the 'open door'. The Notes terminated with a further joint declaration of opposition to 'the acquisition by any Government of any special rights or privileges that would affect the independence or territorial integrity of China or that would deny to the subjects or citizens of any country the full enjoyment of equal opportunity in the commerce and industry of China'.

This agreement has been the subject of much comment and speculation. In a statement made to the Press at the time of its publication Mr. Lansing explained that the motive of the two Governments in making it was to dispel by a frank statement of their policies the distrust, artfully fanned by German propaganda, which marked the attitude of the two nations to one another in the Far East; and to this he added a vague remark to the effect that a complete and satisfactory understanding had been reached with regard to naval co-operation in the Far East. Professor Willoughby, commenting on this in his very comprehensive work on *Foreign Rights and Interests in China*, inclines to the opinion that Mr. Lansing's explanations are inadequate and that other inducements must have existed which have not been made public. But it is after all not unreasonable to accept the explanation implied in Mr. Lansing's reference to naval co-operation and to surmise that this agreement was only another of the many measures of expediency imposed by the political exigencies of the War.

The Chinese Government, which had not been consulted at all in the matter and was moreover apprehensive of the construction which might be placed on the words 'special rights', replied

with a Declaration that China had always respected the treaty rights of friendly Powers, that the special relations due to territorial contiguity could only be such as had already been provided for in existing treaties, and that, finally, she would not allow herself to be bound by any agreement to which she had not been a party. Later, when Mr. Lansing was asked by the Foreign Relations Committee of the United States Senate what the words 'special interests' meant, he answered that they meant 'only the special interest that comes from being contiguous to another country whose peace and prosperity were involved'. He explained, further, that when Viscount Ishii pressed for the insertion of these words in the agreement he replied that he could not agree if they were meant to convey the idea of 'paramount interest' or 'political' control, but that he was prepared to consider the matter if they meant 'special interest based upon geographical position'. To this Viscount Ishii appears to have made no reply. In Peking also the United States Minister was instructed to inform the Chinese Government that the 'special interests' referred to in the agreement were of an economic and not of a political nature.

*The South Manchuria Railway Company takes over the Korean railways: 1917*

In 1917 the South Manchuria Railway Company was entrusted with the operation of the Korean railway system, subject however to the supervision and direction of the Governor-General at Seoul. This arrangement was cancelled a few years later, and the administration of the lines reverted to the Governor-General.

*Railway and other loans in Manchuria: 1917–20*

As a result of the anarchy which followed the Revolution of 1917, Russia ceased for the moment to be an important factor in Manchurian politics, and Japan was left in sole possession of the field, a position of which she was not slow to take advantage. In Tokyo the Okuma Ministry had given place to that of General Count Terauchi, whose name is closely associated with the notorious 'Nishihara' loans to the Anfu militarist clique in Peking, and in Manchuria his accession to office was similarly accompanied by renewed activity in lending money. Between 1917 and 1920 five loan agreements of various kinds were concluded either with the Central Government in Peking or with the Provincial Authorities at Mukden. They were:

1. the Kirin-Changchun agreement of 1917 between the Chinese Government and the South Manchuria Railway Company;

2. the Kirin-Kwainei (Hueining or Hoiryong) preliminary loan agreement of 1918 between the Chinese Government and three

Japanese banks (the Industrial Bank of Japan, the Bank of Korea, and the Bank of Formosa;

3. the preliminary agreement of 1918 between the Chinese Government and the same three banks for the construction of the Jehol–Taonanfu, Changchun–Taonanfu, and Kirin–Hailungcheng–Kaiyuan railways and for the extension of the Jehol–Taonanfu line to the sea;

4. the Chengchiatun-Taonanfu-Tungliaochen (Paiyintala) agreement of 1919 between the Chinese Government and the South Manchuria Railway Company; and

5. the agreement of 1918 between the Chinese Government and the three banks just mentioned for a loan for the development of gold mining and forestry in the provinces of Heilungkiang and Kirin.

In the last case thirty million *yen* was advanced on the security of the gold mines and forests and of their revenues; but the money was never used for the purpose for which it was ostensibly borrowed. The Kirin-Changchun agreement was made in fulfilment of a stipulation in the treaty of 1915. Its terms were on much the same lines as those of earlier railway loan contracts; but it was also stipulated that during the period of the loan—thirty years—the management of the line should be left in the hands of the South Manchuria Railway Company and, further, that if foreign capital were needed for extensions or branch lines priority should be given to the Japanese company. It is unnecessary to discuss the provisions of the loan agreements with the banks because no further progress was made with them. It may be remarked, however, that when they were signed advances were made of ten million *yen* in one instance and of twenty million in the other, and that, as in the case of the gold-mining and forestry loan, the money disappeared—used for some purpose other than its legitimate one. Although no progress was made with the arrangements with the banks for the construction of the Kirin–Kwainei railway,[1] the Kirin–Tunhwahsien section of the line is actually being built under an entirely separate and independent agreement, concluded in 1926, between the Chinese Government and the South Manchuria Railway Company.

*Allied intervention in Siberia: 1918*

Conditions in Siberia and North Manchuria rapidly became chaotic after the Revolution in Russia, and in 1918 the United States proposed that the Allies should intervene jointly for the double purpose of protecting the vast stores of war material and

[1] It is said that an agreement regarding this line was made between the South Manchuria Railway Company and Chang Tso-lin shortly before the latter's death.

supplies accumulated at Vladivostock and of assisting the evacuation of some fifty thousand Czecho-Slovak troops, who were retreating from the eastern front across Siberia. The proposal was accepted, and it was arranged that each country should send an expeditionary force of seven thousand men to be assigned to its own special section of the line, the Chinese Eastern Railway being confided to the sole charge of the Chinese. The United States also suggested that a corps of American engineers, who had been lent to the Kerensky Government to act as advisers to the Trans-Siberian railway line, should undertake the working of the railways in co-operation with the Allied forces. This proposal too was accepted after some delay, and in 1919 a special Inter-Allied Railway Committee was formed with technical and military transportation boards under it. It cannot be said that these arrangements worked very smoothly. The Japanese troops, who were many times in excess of their proper number, immediately came into collision with the Chinese, over whom, by virtue of a secret military alliance concluded in 1918, they claimed to exercise authority. When the Chinese refused to admit this affrays took place resulting in loss of life. Nor were the Japanese much happier in their relations with the other expeditionary forces. Eventually, with the assistance of the Czecho-Slovak troops, who had now reached Siberia, a provisional 'White Russian' Government under Admiral Koltchak was established at Omsk; but although it started fairly auspiciously it soon proved itself unstable and incompetent, and the sympathies of the population were estranged by the presence in its ranks of numerous reactionaries. Unable to withstand the pressure of the Bolsheviks from without and torn by dissensions within, it quickly collapsed. In November 1919 Omsk was evacuated, and the Allies, with the Czecho-Slovaks, began their retreat to the sea. Two months later Admiral Koltchak was surrendered to the Bolsheviks and promptly shot. Intervention had ended. The Ataman Semenoff attempted to set up another Government with himself at its head; but General Horwath, the head of the railway, refused to acknowledge it, and proclaimed his independence. The Chinese protested strongly against this as completely *ultra vires*, and themselves assumed responsibility for the preservation of order in the railway zone. In the course of the year all the Allied forces were withdrawn from Siberia except the Japanese, who had become involved in open hostilities with the Bolsheviks

following the massacre at Nikolaievsk. The fighting dragged on for nearly two years; but in the interval new forces were at work in Japan, and the mood of the nation had changed. The Great War was over, the Washington Conference had taken place, the old aggressive policy towards China had been abandoned in favour of one of non-interference, the anger aroused by the Nikolaievsk incident had subsided, and the country was weary of the seemingly purposeless waste of life and money which the Siberian expedition entailed. Eventually feeling on the subject became so strong that in 1922 the troops were withdrawn and, simultaneously, the Inter-Allied Committee with its technical board ceased to exist. Japan had failed in her purpose to secure a foothold in Siberia.

*The new Consortium: 1920*

The orgy of indiscriminate and reckless borrowing which followed the accession to power of the militarist clique in Peking towards the end of the Great War became so serious that the Powers at last decided to adopt a policy of refusing loans of any kind to either the North or the South, and to this policy public opinion forced Japan to subscribe. It was in this atmosphere that the new Consortium was born in 1920. The project owed its inception to the United States, who proposed that a combination of representative groups of American, British, French, and Japanese banks should be formed to share equally in all Chinese Government guaranteed loans—industrial as well as administrative and financial—involving a public issue, that the groups should pool all their existing and future options, except such concessions as were already in operation, and that each national group should receive the support of its Government. While whole-heartedly in favour of the scheme, the British Government, remembering past experiences, hesitated at first to agree to the inclusion of 'industrial' loan business within the scope of the Consortium; but this difficulty was ultimately overcome by a stipulation that in the case of Great Britain 'support' applied only to the financial side of a loan and that the British group would put up to tender the contracts for the supply of materials or for the execution of the construction work for which the loans in question were made. A further and more serious difficulty next arose with Japan, which was strongly opposed to the inclusion of rights or options held by her in Manchuria or Mongolia. This objection was based, so Mr. Odagiri, the leading Japanese bank representative, informed Mr. Lamont, who represented the American banks, on the 'very special relations

which Japan enjoyed geographically and historically with the regions referred to' and which had been 'recognized by Great Britain, the United States, France, and Russia on many occasions'. In proof that this was no new claim he quoted a minute of an earlier Consortium group conference in 1912 in which a similar reservation was made. With the Japanese pretension, however, Mr. Lamont entirely declined to agree on the ground that Manchuria and Mongolia were component parts of China and that the 'special interests' referred to had nothing to do with economic matters. The British Government shared the American view, and informed the Japanese Ambassador in London that the admission of such a claim would be a 'direct infringement of the fundamental idea underlying the creation of the Consortium, which was to abolish spheres of interest and throw open the whole of China to the activities of an international financial combination', and that, while it was recognized that in Manchuria important Japanese railway and other enterprises existed, this was not the case in Eastern Inner Mongolia, the exclusion of which from the scope of the Consortium could 'not be reconciled with the maintenance of the independence and territorial integrity of China, which Japan had so often pledged herself to observe'. Japan then endeavoured to explain that her reservation was based on the fact that Manchuria and Eastern Inner Mongolia stood in very close and special relations to her national defence and to her economic existence, adding, however, that if a satisfactory formula could be evolved to meet this difficulty she would join the Consortium. The British Government thereupon gave a written assurance that the Consortium would not engage in anything calculated to affect the security of Japan's economic life and national defence and that she could 'firmly rely on the good faith of the Powers concerned to refuse to countenance any operations inimical to such interests'. The United States Government used similar language. With this Japan was content, and withdrew her claim to special spheres of influence in the regions mentioned. As a result the new Consortium agreement was signed in 1920. Japan's contribution to the pool was the concession for the Taonanfu–Jehol railway with its extension to the sea. The South Manchuria Railway, the Kirin–Kwainei, Chengchiatun–Taonanfu, Changchun–Taonanfu, Kaiyuan–Kirin–Hailungcheng, Kirin–Changchun, Sinminfu–Mukden, and Ssupingkai–Chengchiatun lines were definitely excluded.

The new Consortium has so far accomplished nothing and, in the present mood of the Chinese, is not likely to do much. A proposal was indeed made in the autumn of 1920 that it should, if requested, make a loan of ten million gold dollars to the Chinese Eastern Railway, which was then in very serious financial difficulties owing to the large outstanding debts of the Allied forces in Siberia, particularly the French and the Czecho-Slovaks. The Japanese group of banks, however, opposed the scheme as technically outside the scope of the Consortium agreement. The Chinese then endeavoured to finance the line independently of foreign assistance; but, in consequence of an American protest that this could not be done without the prior assent of the Inter-Allied Railway Committee, they desisted.

*Spheres of Interest*

In pursuance of the intention already expressed by the British Government to have 'spheres of interest' abolished, Mr. Balfour stated definitely at the Washington Conference in 1921 that so far as Great Britain was concerned they were things of the past, suggesting at the same time that the Powers represented on that occasion should make a joint declaration that no one wished to perpetuate them or the international understandings on which they depended. The proposal received the whole-hearted support of the American and other delegations, and a resolution was unanimously adopted to the effect that the Contracting Powers engaged 'not to support any agreements by their respective nationals with each other designed to create spheres of influence or to provide for the enjoyment of mutually exclusive opportunities in designated parts of Chinese territory'. This was subsequently embodied in Article 4 of the Nine-Power Treaty relating to China of February 6th, 1922.[1] It will be noticed that the resolution deals only with agreements between the nationals of the respective Powers concerned and not to those between the Powers themselves. These, however, seem to be provided for in the first Article of the same treaty, the fourth clause of which states that the Contracting Parties will 'refrain from taking advantage of conditions in China in order to seek special rights or privileges which would abridge the rights of subjects or citizens of friendly States and from countenancing action inimical to the security of such States'.

*The 'Open Door' at the Washington Conference*

Among the most important questions in China's relations with the outer world is unquestionably that of the 'open door'. In the Circular Note sent by Mr. Hay to the Powers in 1899, the

[1] *Vide* Appendix XVI.

first occasion on which the expression occurs in a formal document, it was limited in its scope to a demand that Powers claiming 'spheres of interest' in China should not, inside such spheres, interfere with Treaty ports or vested rights, enforce any but the Chinese tariff, or impose on the shipping or merchandize of other countries higher shipping dues of railway transport charges than were imposed on the shipping or merchandize of their own. The replies received were generally favourable, and from time to time the principle was reaffirmed by one Power or another, always with a steadily widening significance. It was not, however, till the Washington Conference took place in 1921 that the term was given final and clear definition. The Chinese representatives having at an early stage of the Conference made a declaration that their Government approved of the principle of the 'open door' and was ready to apply it throughout China, the American Delegation proposed that the Powers represented should agree to a joint resolution on the subject. Simultaneously they submitted a draft of the resolution itself. The idea was received with approval; but in the discussions which followed alterations were suggested, and eventually a revised draft was substituted to the following effect:

1. the Powers other than China agreed not to seek or to support their nationals in seeking (*a*) any arrangement establishing in favour of their interests any general superiority of commercial or economic rights in any part of China, (*b*) any monopoly or preference likely to deprive other nationals of their legitimate commercial or industrial rights in China or of participation with the Chinese authorities in any public enterprise, or (*c*) any monopoly or preference likely by its scope, duration, or geographical extent to prevent the application of the principle of equal opportunity. Such agreement was not, however, to be interpreted as prohibiting the acquisition of rights or properties necessary for a particular commercial, financial, or industrial undertaking or for purposes of research;

2. the Chinese Government agreed to be guided by the same principles in dealing with foreign applications for commercial rights and privileges;

3. all the Powers represented at the Conference, including China, agreed to the establishment of a board of reference in China to which questions arising out of the declaration should be referred for investigation and report; and

4. similarly agreed that any provisions in existing concessions which appeared inconsistent with those of another concession or with the principles of the declaration should be referred to the board in question for adjustment.

To the last clause Baron Shidehara, of the Japanese Delegation,

took exception, pointing out that as the declaration now contemplated was entirely different in scope from the policy of the 'open door' as conceived in Mr. Hay's Note and gave in a certain sense a new definition to that policy, it should not have any retroactive force. He accordingly proposed an amendment. To this Mr. Hughes replied by citing various international documents to prove that this view was not correct and that the draft resolution now submitted was no more than a definite statement of a principle to which the Powers had given their adherence for many years. Eventually, however, the last clause was dropped. The draft was then adopted and incorporated in the Nine Power Treaty relating to China.[1]

*Violations of the principle of the 'Open Door'*

It has been shown earlier in this memorandum that, save in one instance, no concrete evidence is forthcoming in substantiation of the accusations so frequently made against Japan of discrimination against foreign merchants and foreign commerce. They must therefore be dismissed as non-proven. Nevertheless, when allowance is made for the inevitable accidental advantages enjoyed by her owing to geographical propinquity, the possession of the leased territory and the railway, and other fortuitous factors, it is difficult to avoid the conclusion that her general policy in Manchuria in the past has been directed towards the creation of a monopolistic sphere and that although this policy can be defended on the ground that it has the support of treaties and agreements, it is still in spirit not only antagonistic to the principle of the 'open door' but also to Japan's own declaration in the Treaty of Portsmouth. Particularly does this policy seem evident in the various privileges she has from time to time secured from China in connexion with railway construction. As instances may be cited (1) the provision in the secret protocol attached to the Agreement of 1905, binding China not to build in the neighbourhood of the South Manchuria Railway any lines parallel to it or any branches prejudicial to its interests, (2) the stipulations in the Kirin–Changchun and Ssupingkai railway agreements obliging her to apply first to Japan should foreign capital be required for extensions or branch lines, (3) the similar clause in the Treaty of 1915 regarding railways or loans in South Manchuria or Eastern Inner Mongolia, and (4) the obligation in the Ssupingkai–Chengchiatun agreement to give preference to material and supplies of Japanese origin. In another direction there is the article in the Kirin–Heilungkiang gold-mining and

[1] *Vide* Appendix XVI.

forestry loan agreement providing that Japanese capitalists should first be approached if funds were needed for future development work; and finally there is the promise wrung from China in 1915 that if advisers or instructors on political, military, financial, or police matters were needed in South Manchuria, Japanese subjects should be employed first.

*The Twenty-one Demands at the Washington Conference*

The treaties and agreements based on the Twenty-one Demands, which had already been the subject of unsuccessful representations by China at the Paris Peace Conference in 1919, were brought up again at Washington in 1921, the Chinese Delegation urging that having been forced upon China it was in the interest of all parties that they should be reconsidered and annulled.[1] This proposal the Japanese delegates strongly opposed, maintaining that if the subject were discussed at all, it should be between the two countries immediately concerned and not at the Conference. At a later date Baron Shidehara in a lengthy statement definitely refused to concur in the Chinese proposal, contending that a very dangerous precedent would be established if it were once admitted that rights granted by treaty could be revoked on the ground that they had been conceded unwillingly. He added, however, that (1) Japan was willing, subject to the condition that no modification was made in the understanding already reached between the Governments interested in the Consortium, to pool her exclusive right of option for railway and other loans in South Manchuria and Eastern Inner Mongolia, (2) that she would not insist on her preferential rights regarding advisers in South Manchuria, and (3) that she would completely withdraw the fifth group of the Twenty-one Demands.[2] In a similarly lengthy counter-statement the Chinese Delegation declared that an even more dangerous precedent would be established if it were admitted that a strong nation was at liberty to wring from a weaker one valuable concessions which were not in satisfaction of pending controversies and for which no *quid pro quo* was offered. On the grounds, therefore, that the treaties in question were wholly unilateral, that in important respects they violated those already existing between China and other Powers, that they were inconsistent with the principles regarding China adopted by the Conference, and, finally, that they had engendered and would continue to engender misunderstandings between the two coun-

[1] The Treaty relating to the Shantung Province was annulled at the Conference.

[2] *Vide* Appendix XV (*a*).

tries the Delegation again urged that they should be annulled.[1] A statement was also made at the same time by Mr. Hughes, the head of the American Delegation, in which he explained the position of the United States in the matter and reaffirmed America's traditional policy, which was that of 'equality for the nationals of all countries'. With that the matter ended, and China's attempt to obtain redress failed. A resolution, however, was passed that the various statements made should be entered in the records of the Conference with a proviso that China reserved the right to seek a remedy whenever occasion offered. Of this she availed herself in 1923 shortly after the expiry of the original lease of the leased territory, when she again vainly called on Japan to abrogate the objectionable treaty and agreements.

*Japan's position as regards Manchuria*

It is improbable that a more successful issue was expected in either case. Japan will not leave Manchuria of her own free will. That is clear. Her statesmen and her soldiers have again and again laid emphasis on the sacrifices the nation made in life and treasure during the war with Russia. They now regard Manchuria as their country's first line of defence against the Red armies and the Third International; enormous sums of money, estimated at about two hundred million pounds, have been invested there in one form or another; and, last but not least, the retention of her position in Manchuria has become to Japan a matter of pure economic necessity. In the struggle for existence which followed the compulsory reopening of her doors to foreign intercourse she was forced to alter her manner of existence entirely and from a purely agricultural country to change into an industrial one. This has not been without advantages. Trade and industry have developed phenomenally and the standard of living of the people has risen materially; but the increase of the population—now over 750,000 annually—has been even more marked and is fast becoming a really serious problem. Even if emigration offered a solution of the difficulty, which is highly improbable, that method is impracticable because the doors of most foreign countries are closed to Japanese labour, and Manchuria, which was once thought a promising field for colonizing purposes, has proved a disappointment. The Japanese agricultural immigrant thrives in countries in which the climate is more or less equable and the standard of living higher than his own; but neither of these advantages exists in Manchuria, where in

[1] *Vide* Appendix XV (*b*).

competition with the more hardy, industrious, and frugal native of North China he is inevitably driven to the wall. The only way out of the dilemma seems to be further industrialization. Japan itself, however, is poor in natural resources, and the cultivable area is capable, as we have shown, of only a very limited expansion. Raw materials and foodstuffs must therefore be obtained from abroad. It is in this direction that the retention of their hold on Manchuria becomes a matter of such vital importance to the Japanese. Though still only partially opened up, that territory even now supplies them not only with a substantial amount of raw material for industrial purposes but also with great quantities of foodstuffs. It is already a promising market for their manufactures, and it has the great advantage of being near at hand and reasonably secure from attack, except by Russia and, perhaps in the distant future, China. As its prosperity grows so must its value to Japan increase. In the circumstances her determination not to relinquish her hold is intelligible enough. This is a case of the necessity which knows no law. Nor can it be said that she alone benefits. When Japan succeeded Russia in 1905 the country was undeveloped and its possibilities were not even remotely realized. To-day its population has more than doubled and immense areas of fertile land have been brought under cultivation. In 1907 the trade of Dairen was valued at about eight million pounds sterling; in 1927 it was forty-seven millions. To this remarkable development the Chinese inhabitants and immigrants have materially contributed; but much more is it due to Japanese enterprise and to the security to life and property which Japanese influence and authority have been able to ensure, making of Manchuria a haven of peace while the rest of China was in chaos. Interesting evidence of this is afforded by the following quotation from a letter written quite recently by a foreign merchant to his principals after a journey in that region:

'It cannot be denied that business has been protected and has developed in Manchuria for the last few years and that this is largely due to the presence of the Japanese. They have been instrumental in seeing that order is maintained throughout South Manchuria. Their attitude towards irregular taxes along the South Manchuria Railway has been of great benefit to business. So far as I have been able to ascertain no discrimination has been shown up to the present against competitors of other nationalities. Manchuria in fact, as compared with China south of the Great Wall, is like a foreign country. Railways are operated on time, merchants suffer few losses

from looting, foreign and Chinese merchants conduct their business without interference and, in spite of adverse conditions, such as currency fluctuation, foreign trade has continued to grow.'

Whatever criticisms may be levelled at Japan's methods in the past it must in fairness be admitted that her position is difficult and that her achievement has been remarkable.

*British trade in Manchuria*

Great Britain's interests in Manchuria, as in the rest of China, are commercial only. All she demands for her merchants is security of life and property and equality of opportunity. It is difficult in the absence of satisfactory statistics to form an accurate estimate of the value of those interests; but from such figures as are available it would appear that in 1927 about two and a half million pounds worth of British goods were imported into Manchuria. This does not include goods which entered by indirect routes. The value of the export trade to British ports was about the same. In the South Manchuria and Peking-Mukden railways about eighteen million pounds of British capital are invested in the shape of debentures. No particulars are obtainable regarding our share in the trade of North Manchuria; but important business houses are represented both there and in the south. The British-American Tobacco Company, for instance, owns a large cigarette factory at Mukden, and the firm's products find their way into the remotest country towns and villages notwithstanding fierce competition from Japanese rivals. The Product Export Company (a subsidiary enterprise of the Union Cold Storage Company of London) has a plant at Harbin, and the Asiatic-Petroleum Company has branches at Newchwang, Mukden, and Harbin. There are also business houses of varying degrees of importance at all the treaty ports and open markets, and agencies of big corporations like the Hongkong and Shanghai Banking Corporation, the Chartered Bank of India, Australia, and China, the General Electric Company, Imperial Chemical Industries, Ltd., Nestlé's Anglo-Swiss Condensed Milk Company and others are to be found in various localities. It will thus be seen that British commercial interests in Manchuria are by no means inconsiderable. As the country develops they should increase.[1]

[1] For this information I am indebted to Mr. T. L. Relton of H.M.'s Department of Overseas Trade.

## IV. The Present Period.

*Chinese disregard for Japan's special privileges in South Manchuria*

After years of passive submission to the will of those stronger than herself China has at last turned and is now beginning to reassert herself. In Manchuria this mood expresses itself in a disposition to disregard the special privileges acquired by the Japanese and the treaty rights of foreigners generally, by the initiation of programmes of railway development on lines suited to Chinese requirements regardless of whether these are prejudicial to Japanese and Russian interests or not, and by a systematic attack on the position of the Chinese Eastern Railway.

With regard to the first it will be sufficient to instance the persistent refusal of the Provincial Authorities to grant the Japanese the leasing and other privileges conferred on them by the treaty of 1915, the indifference shown to Japanese protests against the construction of the Kirin–Hailungcheng, Mukden–Hailungcheng, and Tahushan–Tungliaochen lines, the eviction of Japanese residents from the cities and the suburbs of treaty markets in Fengtien and Kirin in which they had long been suffered to live unmolested, the attempts to substitute provincial paper currencies for the gold *yen* as a medium of exchange, and the endeavours to impose illegal taxes on foreign goods generally. The last is indefensible; but it is perhaps not unnatural that the Chinese authorities should seek to curtail as much as possible the privileges wrung from China in 1915. In this they have the support of their own people, and as the gold *yen* has no legal claim to circulate as a medium of exchange in Manchuria, it is difficult to discover valid objections to their attempts to drive it out, ill-advised though the action may be. The right of residence in the treaty markets has always been disputed.

*Chinese plans for railway development in Manchuria*

It will have been noticed that until the close of the Great War China was a more or less unwilling party to the various railway agreements which she signed. A significant development in recent years is the interest which the Chinese themselves—and by Chinese is meant not only the Central and Provincial Governments but also guilds, combinations of merchants, individual officials, and private persons—are now showing in this direction. The serious dilemma in which Chang Tso-lin was placed in 1925 by the refusal of the Chinese Eastern Railway to transport the Heilungkiang troops sent to assist him in his struggle with his

mutinous lieutenant Kuo Sung-lin impressed firmly on the authorities at Mukden the desirability of building lines of their own to connect the three provincial capitals—Mukden, Kirin, and Tsitsihar—and thus free themselves from dependence on the Russian railway. For reasons somewhat similar they would like to be independent of the South Manchuria railway also. Strategic considerations are dominant again in the schemes of the Central Government for the construction of railways towards Peking but west of the Peking–Mukden line. In this case, however, the object in view is not only to possess an alternative route but also to dispute, if possible, the practical monopoly of the Japanese railway as a carrier of Manchurian produce southward. A glance at the map which accompanies this memorandum will show that when the various railways now projected are completed China will have, to the west of the South Manchuria railway and roughly parallel with it, a series of lines running from Taheiho down through a fertile agricultural belt to Jehol in Chihli, and another, more or less parallel with the Chinese Eastern railway, from Manchouli via Taonanfu, Changchun, and Kirin to the Korean coast. Though the latter will benefit China, they will be much more useful to Japan both from the economic and from the strategic point of view. Economically they will be a menace to the Chinese Eastern railway, a fierce competitor with the South Manchuria railway for many years, and they will bring Japan some four hundred miles closer to Manchuria; strategically they will enable her, in the event of war with Russia, to transport her armies rapidly across Manchuria to the Khingan mountains and the country bordering on Lake Baikal, which is believed to have been marked out by Japanese strategists as the outpost in her first line of defence. The Jehol–Taonanfu line is to be extended from Jehol to the sea, but the terminal point is not fixed though Hulutao has been mentioned as a possibility. It is, however, very improbable that this place could ever become a formidable rival to Dairen. It would seem rather that the bulk of the produce of Manchuria must, in any event, on its way abroad pass through Japanese hands either at Dairen or at some port on the north-east coast of Korea.

*Railways completed, under construction, and projected*

In the map just alluded to will be found not only lines already built or in course of building but also a number which are still only projects. These are given with reserve because, while they represent probable future construction, so many railway schemes

are in the air at present that it is impossible to say definitely what lines will finally be built. The following, however, is a list of all those marked in the map:

COMPLETED :—

*Russian*—Chinese Eastern railway with branches: *Japanese*—South Manchuria railway with branches, and the Antung–Mukden line: *Chinese*—Peking–Sinminfu; Mukden–Hailungcheng; Chinchow-fu–Ichow; Tahushan–Tungliaochen: *in the following Japan has an interest*—Sinminfu–Mukden; Changchun–Kirin; Kirin–Tunhwahsien; Ssupingkai–Chengchiatun; Chengchiatun–Taonanfu–Tungliaochen; Taonanfu–Angangki, and Angangki–Tsitsihar.

UNDER CONSTRUCTION :—

*Chinese*—Kirin–Hailungcheng; Ichow–Chaoyangfu, and Hulan–Hailunfu.

PROJECTED :—

*Russian*—Anda–Koshan. The Russians are said to have other projects in view as well. *Chinese*—Petuna (Sinchengfu)–Taonanfu; Tungliaochen–Kailu; Kirin–Harbin–Hulan; Hailunfu–Mergen–Aigun–Taheiho; Wuchang–Imienpo; Angangki–Tsitsihar–Koshan; and Tsitsihar–Mergen; *in the following Japan is said to have an interest*—Tunhwahsien–Kwainei; Changchun–Petuna–Anda; and Tunhwahsien–Hailunfu–Sansing; *the following are to be built in fulfilment of agreements with Japan*—Changchun–Taonanfu; Kirin–Hailungcheng–Kaiyuan; Taonanfu–Jehol; and Jehol to a sea-port. The last two were, it will be remembered, Japan's contribution to the Consortium pool.

There are four railways in the list which call for brief notice. They are the Kirin–Hailungcheng, Mukden–Hailungcheng, and Tahushan–Tungliaochen railways and the Hulan–Hailunfu line with its proposed extension to Mergen and Taheiho. To the construction of the first Japan objected strongly on the ground that it conflicted with an agreement already made with her; to the second and third she also objected on the ground that China was bound by the terms of the protocol attached to the agreement of 1905 not to build branch lines prejudicial to the interests of the South Manchuria railway. These objections have had no effect. The Mukden-Hailungcheng and the Taonan-fu–Tungliaochen lines are completed and open to traffic, and work on the Kirin–Hailungcheng line has been started. The Hulan–Hailunfu–Taheiho line is an interesting illustration of the change which has taken place in the demeanour of the Chinese towards Russia in North Manchuria since the fall of the monarchy in 1917. A concession for the construction of this

line was granted to the Chinese Eastern Railway many years ago. Building was, however, never commenced, and China has now, in complete disregard of her former pledge and of Russian protests, taken over the construction of the line herself.

To sum up the railway situation in Manchuria, the South Manchuria railway is clearly the dominant factor in the south, and by means of liens on Chinese lines its influence is now penetrating well into the north. It seems inevitable that this influence should increase as long as the Chinese remain dependent on Japanese assistance in carrying out their schemes of construction work and that, whatever happens, the bulk of the transport trade must always gravitate to ports in Japan's possession.

*Chinese attack on the position of the Chinese Eastern Railway*

When the Bolsheviks came into power banking was made a state monopoly and the capital of former banks was confiscated; but, with the connivance of the Tsarist Embassy in Paris, the Russo-Asiatic Bank was able to reorganize itself on capital composed of the funds of its branches abroad and of money due from correspondents. China gave her recognition to the new institution, seizing, however, at the same time the opportunity to assert her own pretensions. In the preamble of an agreement regarding the Chinese Eastern Railway Company made with the new bank at Peking in 1920 the Chinese Government announced its intention of assuming supreme control of the railway provisionally, pending the conclusion of an arrangement with a recognized Russian Government, and of resuming the advantages conferred on China by the contract of 1896 and the original statutes of the company. The agreement itself stipulated *inter alia*, that the company was to pay China the five million *taels*, with accrued interest, due on that contract, that the President and four members of the Board of Directors, as well as two members of the Committee of Audit, should be nominees of the Chinese Government, that railway appointments were to be shared equitably between Chinese and Russians, and that the rights and obligations of the Company should be commercial only, all political activities being forbidden. Simultaneously the Russian consular courts in the railway area were closed, and China assumed jurisdiction over all Russians in Manchuria; but the organization of the necessary Chinese courts and judiciary was not completed till two or three months later. The results, when finally the courts began to function, illustrate vividly how ill-prepared China is for the abolition of extraterritorial jurisdiction. The judges were illiterate and venal, the interpreters hopelessly

incompetent, the police brutal and corrupt, and the prison administration barbarous.[1]

*The Chinese Eastern Railway at the Washington Conference*

The irregular position in which the new arrangement placed the Chinese Eastern railway and the continued inefficiency of its administration led the United States to raise the question of the line at the Washington Conference. It was explained that while in no way interested in its ownership, America was anxious that the railway should be maintained as an artery of commerce on the basis of equal opportunity for all and that she wished to do what she could to promote this object. The matter was referred to a sub-committee of experts which recommended the replacement of the Inter-Allied Committee by an international financial committee—to exercise financial control, while leaving the actual operation of the line in the hands of the company—and the creation of a police force to protect the line and maintain order under the direction of the new committee. The Chinese delegate, however, objected to foreign control, and when the matter was referred for reconsideration to another sub-committee further difficulties arose, with the result that the only thing accomplished was the passing of a resolution that the railway and its employees should be better protected, more care exercised in the choice of personnel, and greater regard shown for economy. The Powers interested also made a declaration reserving the right to insist on China's responsibility for the fulfilment of the obligations towards foreign stockholders, bondholders, and creditors of the Company resulting from her exercise of power over the possession and administration of the line.

*Renewal of Chinese attack on the position of the Chinese Eastern Railway*

Further discussions regarding the railway took place at Peking in 1922 between the Chinese Government and M. Joffe, who had been sent on a mission to obtain from China recognition of the new régime in Russia. It was on this occasion that the Soviet envoy, irritated at his lack of success in the main purpose of his visit, informed the Chinese Government that a promise made some years earlier by the Bolsheviks that the Chinese Eastern Railway would be restored to China without any claim whatever for compensation did not mean that Russia had renounced all her interests in the line. Following this the attacks on the railway were renewed, the Chinese authorities at Harbin in-

[1] Cf. as an instance, the Ostroumoff case reported on page 85 of the *Report of the Commission on Extra-territoriality in China* (British White Paper: Cmd. 2774 of 1926).

forming the Board of Directors that the municipal and village councils, which had hitherto been under the supervision of the Company, would in future be under the control of the Chinese Bureau for Municipal Affairs and that the railway could no longer be represented on them. In 1923 the Chinese Military Authorities demanded the surrender of the Land Department on the ground that the expression 'lands needed for the operation of the line' in Article 6 of the original agreement of 1896 should be interpreted in a purely technical sense. When the foreign Consuls intervened they set up a Land Administration of their own. Eventually in 1924 China finally recognized the Soviet Government, and an agreement on 'general principles' which changed the whole position to the political advantage of the Chinese, was concluded with the Soviet representative at Peking. By this both parties engaged to annul at a future conference all treaties concluded between China and Tsarist Russia, and concurred in a settlement of the railway problem on the principle that, with the exception of matters pertaining strictly to the operation of the line, everything affecting the rights of the national and provincial governments of China such as judiciary, civil administration, police, and land (with the exception of that required by the railway)—should be placed under the jurisdiction of the Chinese authorities. The Soviet Government also declared void all treaties concluded between its predecessors and third parties which affected the rights and interests of China, formally recognized Outer Mongolia as an integral part of China, and consented to the redemption of the railway by the Chinese Government with Chinese capital. In a second agreement signed simultaneously arrangements were made for the provisional management of the line pending the revision of the Company's statutes, which was to take place at the future conference just mentioned. Owing, however, to political developments and to the subsequent rupture of diplomatic relations after the raid on the Soviet Embassy in Peking the negotiations of the second conference were never completed.

*Agreement between China and Russia: 1924*

These arrangements were unwelcome to Chang Tso-lin who, having declared himself independent of Peking, was irritated at not having been consulted in the matter. Owing, however, to the difficulties of his own position, he was obliged to come to terms with the Russians. Accordingly in 1925 he made a separate agreement with them, but on practically the same lines as that just concluded at Peking, with the exception that the

*Agreement between Chang Tso-lin and the Soviet regarding the Chinese Eastern Railway: 1925*

period of the railway concession was reduced from eighty years to sixty. The signing of the agreement was, however, in itself a victory for him since it meant practical recognition by Russia of his independence. As a mark of his gratification he acquiesced immediately afterwards in the dissolution of the existing Board of Directors of the railway, the appointment of a Communist as General Manager, and the arrest and imprisonment of various officials not in favour with the Soviet Government. Fresh disputes, however, soon arose over the administration of the company's lands and the pay of the municipal police. When these were finally settled after much acrimonious discussion another crisis was provoked by the railway authorities, who refused to transport the Heilungkiang troops sent to the rescue of Chang Tso-lin in his struggle with Kuo Sung-lin in 1925 unless transport charges were paid in advance. Chang's supporters found another way of assisting him; but a similar incident occurred in 1926, and on this occasion the Chinese arrested the general manager. After some negotiation a compromise was reached; but a little later a fresh controversy arose over a demand of the Chinese for the division of the funds of the railway equally between Chinese and Russian banks and for a reduction of the powers of the general manager. The Russians refused to agree, whereupon Chang Tso-lin retaliated by assuming control of the Educational Department and by confiscating the company's river flotilla with the wharves and warehouses attached to it. In 1927 the Chinese gained their point regarding the allocation of funds and followed this up by attempting to introduce material modifications in the leases of railway lands. On this occasion, however, the foreign consuls stepped in and frustrated them. What further designs Chang Tso-lin had in view for undermining the Russian position must remain matter of conjecture, for in 1928 his career came to a tragic close. While on his way back to Mukden after his withdrawal from Peking before the advancing Nationalist armies his train was wrecked by a mysterious bomb explosion and he himself so badly injured that he died almost immediately. With his death a notable chapter in the history of Manchuria closed.

*Renewal of Chinese attack on the position of the Chinese Eastern Railway*

*Death of Chang Tso-lin: 1928*

*Russia in Mongolia*

Marked success attended his attacks on the Chinese Eastern Railway; but it is very improbable that the Russians will acquiesce indefinitely in the process of attrition now in progress. They cannot tamely submit to be dislodged by the Chinese. In the meantime they are exerting themselves, though without con-

spicuous success, to spread the doctrines of communism in the railway area and in Manchuria generally, while in Mongolia they have consolidated themselves firmly. As a result of the Chinese Revolution of 1911 that country, for centuries a vassal of China, declared its independence. Russia, which welcomed the creation of a semi-independent Mongol State, lent her support as mediator between China and Mongolia in the troubled period which followed, and the situation was eventually stabilized by various agreements, in particular the Kiakhta Convention of 1915, which definitely established Mongolia as an autonomous State under Chinese suzerainty. Matters remained thus till 1919, when China took advantage of Russia's collapse to tear up the Kiakhta Convention and to re-establish her sovereignty over the country. In 1921, however, the Bolsheviks came to the assistance of the Mongols. The Chinese were again driven out, and in 1924 a Republican Government on the Soviet model and completely under Soviet influence was established.[1] This still remains in power. Russian policy is directed towards the ultimate union of the country with the other Soviet republics; but the semi-feudal and pastoral life of Mongolia is poor soil for the cultivation of communistic ideas.

*Chang Tso-lin's personality and his relations with the Japanese*

Chang Tso-lin became the dominant figure in Manchuria shortly after the establishment of the Republic when Japan's influence in that part of China was already well established. Owing to its position and to the fact that until 1907 it was administered as an entirely separate dependency, Manchuria has always been more or less isolated from the rest of China; but, politically, this isolation has been much more definite and pronounced since the fall of the dynasty. Chang Tso-lin was from the commencement practically an autonomous ruler. When it suited his own convenience he was prepared to acknowledge the authority of the various ephemeral administrations which succeeded one another in quick succession at Peking; but when it did not he ignored them and went his own way. In 1922, after his unsuccessful campaign against Wu Pei-fu, he openly declared his independence of the *soi-disant* Central Government, proving it by concluding the separate agreement with a representative of the Soviet Government over the question of the Chinese Eastern Railway mentioned above. In the earlier part of his career he showed himself sufficiently accommodating in

[1] In the Agreement signed in 1924 between Russia and China, the former recognizes, however, that Mongolia is an integral part of China. *Vide* p. 53 above.

his dealings with the Japanese to incur the suspicion of being in their pay. If he received their favours it was for purposes of his own. As he grew older he became more intractable and developed an ambition to play a prominant rôle in the affairs of China proper. This led him into military adventures which not only proved a severe drain on the finances of the Three Eastern Provinces but also involved him in very serious difficulties. From these the Japanese, in pursuance of their often-expressed determination not to allow the tranquillity of Manchuria to be disturbed, on more than one occasion covertly rescued him. The obstinacy, however, with which he persisted in these enterprises in despite of their advice irritated them, and this, combined with his unwillingness to allow them to benefit by the privileges granted in the treaty of 1915 and with disputes over questions already referred to, made relations between the two parties frequently very strained during the last years of his life. In 1927, after various vicissitudes, he succeeded in getting the reigns of power at Peking finally into his own hands and became Military Dictator of Northern China; but his triumph was short-lived. In the spring of the following year the forces of the rival Nationalist Government at Nanking made a heavy drive northwards, in face of which his armies completely collapsed. They were rapidly driven back on the capital with the victorious Nationalists at their heels, and Chang's position became really serious. At this point Japan intervened. Through her Minister at Peking she urged him to retire with his troops to Manchuria while there was still time, warning him that if he did not do so and were subsequently defeated in battle his way north would be barred at Shanhaikwan by the Japanese forces since the Japanese Government was determined that there should be no fighting in Manchuria. Chang was indignant, but eventually gave way. It was on his return journey to Mukden that he met his death.

*Chang Tso-lin's ambitions to play a leading rôle in China proper*

He was succeeded by his son Chang Hsueh-liang, who has neither his ability nor his strength of character. Even in his father's lifetime Chang Hsueh-liang, who represented the younger and less reactionary party at Mukden, was suspected of Nationalist sympathies, and when Chang Tso-lin died the Nanking Government made overtures to him to join them. The Japanese Consul-General, whom he consulted in the matter, strongly advised him not to do so but to await instead the course of events. There is no doubt that the Cabinet in Tokyo, which was at the moment involved in a controversy with Nanking over an attempt made

*Chang Hsueh-liang and the Japanese*

by the latter to abrogate unilaterally the existing treaty between Japan and China, was afraid that if Manchuria became Nationalist the thorny questions connected with the treaty of 1915 and with the various rights and privileges acquired by Japan in the Three Eastern Provinces would at once be revived with embarrassing results. Accordingly, when Baron Hayashi was sent on a mission ostensibly to represent the Japanese Government at Chang Tso-lin's funeral, he is said to have spoken with great frankness on this subject to the son. Chang Hsueh-liang was recalcitrant at first and resented the advice or warnings given him; but eventually he undertook not to fall in with the Nationalist overtures for three months. This was apparently all the Japanese could secure from him. Shortly afterwards General Baron Tanaka, the Prime Minister, made a statement in Tokyo to the effect that while Japan would not oppose the union of Manchuria with Nationalist China she would not endorse it. The promise made to Baron Hayashi did not, however, deter Chang Hsueh-liang from maintaining relations with the Nationalists. In October he was made a State Councillor of the Nanking Government, and before the end of December it was definitely arranged that, in return for his allegiance, he should be made Commander of the North-East Frontier Force and confirmed in the administration not only of Manchuria but also of the Jehol district. Finally on the 29th of December, without any previous warning of his intentions, he hoisted the Nationalist flag at Mukden. Thus a new chapter in the history of the Three Eastern Provinces was opened.[1]

*Chang Hsueh-liang joins the Nationalists*

[1] I am indebted to Professor Arnold J. Toynbee for his courtesy in allowing me to consult his draft of the Far Eastern section of the *Survey of International Affairs* for 1928.

# APPENDICES

## EXTRACTS FROM AGREEMENTS RELATING TO MANCHURIA

### I. RUSSIA (RUSSO-CHINESE BANK) AND CHINA

*Contract for the Construction and Operation of the Chinese Eastern Railway, September 8th, 1896.*[1]

BETWEEN the undersigned, His Excellency Shu King-chen, Minister Plenipotentiary of His Majesty the Emperor of China, at St. Petersburg, acting by virtue of an Imperial Edict, dated Kuang Hsu, 22nd year, 7th month, 20th day (August 16/28, 1896), of the one part, and the Russo-Chinese Bank, of the other part, it has been agreed as follows:

The Chinese Government will pay the sum of five million Kuping *taels* (Kuping *Tls.* 5,000,000) to the Russo-Chinese Bank, and will participate in proportion to this payment in the profits and losses of the bank, on conditions set forth in a special contract.

The Chinese Government having decided upon the construction of a railway line, establishing direct communication between the city of Chita and the Russian South Ussuri Railway, entrusts the construction and operation of this railway to the Russo-Chinese Bank upon the following conditions:

1. The Russo-Chinese Bank will establish for the construction and operation of this railway a company under the name of the Chinese Eastern Railway Company.

The seal which this Company will employ will be given to it by the Chinese Government. The statutes of this Company will be in conformity with the Russian usages in regard to railways. The shares of the Company can be acquired only by Chinese or Russian subjects. The president of this company will be named by the Chinese Government, but paid by the Company. He may have his residence in Peking.

2. The route of the line will be determined by the deputies of the president (named by the Chinese Government) of the Company, in mutual agreement with the engineers of the Company and the local authorities. In laying out this line, cemeteries and tombs, as also towns and villages, should so far as possible be avoided and passed by.

3. The Company must commence the work within a period of twelve months from the day on which this contract shall be sanctioned by imperial decree, and must so carry it on that the whole line will be finished within a period of six years from the day on

[1] *Manchuria: Treaties and Agreements.* Pamphlet No. 44 of the Division of International Law of the Carnegie Endowment for International Peace, 1921, p. 13.

which the route of the line is definitely established and the lands necessary therefor are placed at the disposal of the Company. The gauge of the line should be the same as that of the Russian railways (5 Russian feet—about four feet two and one-half inches, Chinese).

4. The Chinese Government will give orders to the local authorities to assist the Company to the extent of their ability in obtaining, at current prices, the materials necessary for the construction of the railway, as also labourers, means of transport by water and by land, the provisions necessary for the feeding of men and animals, &c.

The Chinese Government should, as needed, take measures to facilitate such transportation.

5. The Chinese Government will take measures to assure the safety of the railway and of the persons in its service against any attack.

The Company will have the right to employ at will as many foreigners or natives as it may find necessary for the purpose of administration, &c.

Criminal cases, lawsuits, &c., upon the territory of the railway, must be settled by the local authorities in accordance with the stipulations of the treaties.

6. The lands actually necessary for the construction, operation, and protection of the line, as also the lands in the vicinity of the line necessary for procuring sand, stone, lime, &c., will be turned over to the Company freely, if these lands are the property of the State; if they belong to individuals, they will be turned over to the Company either upon a single payment or upon an annual rental to the proprietors, at current prices. The lands belonging to the Company will be exempt from all land taxes (*impôt foncier*).

The Company will have the absolute and exclusive right of administration of its lands. (*La Société aura le droit absolu et exclusif de l'administration de ses terrains.*)

The Company will have the right to construct on these lands buildings of all sorts, and likewise to construct and operate the telegraph necessary for the needs of the line.

The income of the Company, all its receipts and the charges for the transportation of passengers and merchandise, telegraph, &c., will likewise be exempt from any tax or duty. Exception is made, however, as to mines, for which there will be a special arrangement.

7. All goods and materials for the construction, operation, and repair of the line, will be exempt from any tax or customs duty and from any internal tax or duty.

8. The Company is responsible that the Russian troops and war material, dispatched in transit over the line, will be carried through directly from one Russian station to another, without for any pretext stopping on the way longer than is strictly necessary.

9. Passengers who are not Chinese subjects, if they wish to leave the territory of the railway, should be supplied with Chinese passports. The Company is responsible that passengers, who are not Chinese subjects, should not leave the territory of the railway if they do not have Chinese passports.

10. Passengers' baggage, as well as merchandise dispatched in transit from one Russian station to another, will not be subject to customs duties; they will likewise be exempt from any internal tax or duty. The Company is bound to dispatch such merchandise, except passengers' baggage, in special cars, which, on arrival at the Chinese frontier, will be sealed by the office of the Chinese Customs, and cannot leave Chinese territory until after the office of the Customs shall have satisfied itself that the seals are intact; should it be established that these cars have been opened on the way without authorization, the merchandise would be confiscated.

Merchandise imported from Russia into China by the railway, and likewise merchandise exported from China into Russia by the same route, will respectively pay the import and export duty of the Chinese Maritime Customs, less one-third.

If merchandise is transported into the interior it will pay in addition the transit duty—equivalent to a half of the import duty collected—which frees it from any further charge.

Merchandise not paying the transit tax will be subject to all the barrier and *likin* duties imposed in the interior.

The Chinese Government must install customs offices at the two frontier points on the line.

11. The charges for the transportation of passengers and of merchandise, as well as for the loading and unloading of merchandise, are to be fixed by the Company, but it is obliged to transport free of charge the Chinese official letter post, and, at half price, Chinese land or sea forces and also Chinese war materials.

12. The Chinese Government transfers to the Company the complete and exclusive right to operate the line on its own account and risk, so that the Chinese Government will in no case be responsible for any deficit whatsoever of the Company, during the time allotted for the work and thereafter for a further eighty years from the day on which the line is finished and traffic is in operation. This period having elapsed, the line, with all its appurtenances, will pass free of charge to the Chinese Government.

At the expiration of thirty-six years from the day on which the entire line is finished and traffic is in operation, the Chinese Government will have the right to buy back this line upon repaying in full all the capital involved, as well as all the debts contracted for this line, plus accrued interest.

If—in case the profit realized exceeds the dividends allowed to the shareholders—a part of such capital is repaid, that part will be deducted from the price of repurchase. In no case may the Chinese Government enter into possession of this line before the appropriate sum is deposited in the Russian State Bank.

The day when the line is finished and traffic is in operation, the Company will make to the Chinese Government a payment of five million Kuping *taels* (Kuping *Tls.* 5,000,000).

## II. RUSSIA AND CHINA

*Convention for the lease of the Liaotung Peninsula, March 27th,* 1898.[1]

His Majesty the Emperor and Autocrat of all the Russias, and His Majesty the Emperor of China, being desirous of still further strengthening the friendly relations existing between the two Empires and mutually wishing to insure the means whereby to show reciprocal support, have appointed as their plenipotentiaries, for the purpose of arriving at an agreement on this matter:

His Majesty the Emperor of Russia—M. Alexander Pavlow, Gentleman of the Court, and His Majesty's Chargé d'Affaires accredited to the Government of H.M. the Emperor of China;

His Majesty the Emperor of China—Count Li, Chancellor, Member of the Ministry of Foreign Affairs, and Senior Preceptor of the Heir to the Throne, and Chang, Assistant Minister of Finance, and Member of the Ministry of Foreign Affairs, with Ministerial rank.

The above-named Plenipotentiaries, furnished with due powers, have decided upon the following stipulations:

Article I. For the purpose of ensuring that the Russian naval forces shall possess an entirely secure base on the littoral of northern China, H.M. the Emperor of China agrees to place at the disposal of the Russian Government, on lease, the Ports Arthur (Liou-chounkow) and Ta-lien-wan, together with the water areas contiguous to these ports. This act of lease, however, in no way violates the sovereign rights of H.M. the Emperor of China to the above-mentioned territory.

Art. II. The frontier of the territory leased on the above-specified basis, will extend northwards from the Bay of Ta-lien-wan for such distance as is necessary to secure the proper defence of this area on the land side. The precise line of demarcation and other details respecting the stipulations of the present Convention will be determined by a separate Protocol which shall be concluded at St. Petersburg with the dignitary Siou-tzin-ch'eng immediately after the signature of the present Convention. Upon the determination of this line of demarcation, the Russian Government will enter into complete and exclusive enjoyment of the whole area of the leased territory together with the water areas contiguous to it.

Art. III. The term of the lease shall be twenty-five years from the date of the signature of the present agreement and may be prolonged subsequently by mutual consent of both Governments.

Art. IV. During the above-specified period, on the territory leased by the Russian Government and its adjacent water area, the entire military command of the land and naval forces and equally the supreme civil administration will be entirely given over to the Russian authorities and will be concentrated in the hands of one person who however shall not have the title of Governor or Governor-

[1] *Op. cit.*, p. 41.

General. No Chinese military land forces whatsoever will be allowed on the territory specified. Chinese inhabitants retain the right, as they may desire, either to remove beyond the limits of the territory leased by Russia or to remain within such limits without restriction on the part of the Russian authorities. In the event of a Chinese subject committing any crime within the limits of the leased territory, the offender will be handed over to the nearest Chinese authorities for trial and punishment in accordance with Chinese laws, as laid down in Article VIII of the Treaty of Peking of 1860.

ART. V. A neutral zone shall be established north of the above-specified frontier of the leased territory. The frontiers of this zone will be fixed by the dignitary Siou-tzin-ch'eng and the Ministry of Foreign Affairs in St. Petersburg. Within this specified neutral zone the civil administration will be entirely in the hands of the Chinese authorities; Chinese troops will be admitted within this zone only with the consent of the Russian authorities.

ART. VI. Both the Governments agree that Port Arthur, as an exclusively military (naval) port, shall be used solely by Russian and Chinese vessels and shall be considered as a closed port to warships and merchant vessels of other States. As regards Ta-lien-wan, this port, with the exception of one of the inner bays, which, like Port Arthur, shall be set apart exclusively for the use of the Russian and Chinese fleets, shall be considered open to foreign commerce and free entry to it will be granted to the merchant vessels of all nations.

ART. VII. The Russian Government takes upon itself at its own expense and with its own resources to erect all buildings necessary for its fleet and land forces on the area leased to it and especially in the ports Arthur and Ta-lien-wan, to erect fortifications, maintain garrisons in them and generally to take all necessary steps for the proper defence of the specified locality from hostile attack. Similarly the Russian Government binds itself at its own expense to erect and maintain light-houses and other precautionary signs requisite for the security of navigation.

ART. VIII. The Chinese Government agrees that the concessions granted by it in 1896 to the Chinese Eastern Railway Company, from the date of the signature of the present agreement, shall be extended to the connecting branch which is to be built from one of the stations of the main line to Ta-lien-wan, and also, if deemed necessary, from the same main line to another more convenient point on the littoral of the Liaotung Peninsula between the town of In-tzü and the estuary of the river Yalu. All the stipulations of the contract concluded by the Chinese Government with the Russo-Chinese Bank on August 27th (September 8th), 1896, shall apply scrupulously to these supplementary branches. The direction and points through which the above-mentioned lines shall pass will be determined upon by the dignitary Siou-tzin-ch'eng and the administration of the Chinese Eastern Railway. Consent to the construction of the railway on the basis indicated shall never under any form serve as a pretext for the seizure of Chinese territory or for an encroachment on the sovereign rights of China.

ART. IX. The Present Convention shall come into force from the date of exchange of copies thereof by the Plenipotentiaries of the two States.

The exchange of ratifications will take place in St. Petersburg with the least possible delay.

In virtue of which the respective Plenipotentiaries of the two parties have signed and affixed their seals to two copies of the present Convention in the Russian and Chinese languages. Of the two texts which, upon comparison, have been found to be in agreement, the Russian text shall be that used for the interpretation of the Convention.

Done in duplicate at Peking, this 15th day of March (March 27th), 1898, and by the Chinese calendar the 6th day of the 3rd moon of the 24th year of the reign of Kuang-Hsü.

## III. RUSSIA (CHINESE EASTERN RAILWAY) AND CHINA

*Agreement concerning the southern branch of the Chinese Eastern Railway, July 6th*, 1898.[1]

ARTICLE I. This branch of the Chinese Eastern Railway, extending to the seaports of Port Arthur and Dalny, shall be known as the Southern Manchurian Branch of the Chinese Eastern Railway.

ART. II. In accordance with Article IV of the Contract of the 2nd of the Eighth Moon, XXII Year of Kuang-Hsü, August 27th, 1896 (Sept. 8th, 1896, N.S.), which provides that the Chinese Government shall take steps as occasion may require to facilitate the bringing in of the materials needed for the construction of the line, whether transported by water or by land, it is now agreed that the Company may employ steamers or other vessels, and such vessels flying the Company's flag shall be permitted to proceed up the Liao River or any of its branches, and to enter Ying-k'uo (the port of Newchwang) or any port in the Neutral Territory which may prove advantageous to the work of constructing this line, and may there discharge cargo.

ART. III. In order to facilitate the bringing in by the Chinese Eastern Railway Company of the materials and provisions needed in the construction of the Southern Manchurian Branch, it is permitted the Company to build temporary branch lines from this road to Ying-k'ou and to seaports in the Neutral Zone, but when the work of building the line is completed and the road is open for traffic the Company must at the notice of the Chinese Government remove these branch railways; that is to say within eight years from the date of the survey and determination of the line and the appropriation of the land for its construction these temporary branch lines must be removed.

ART. IV. In accordance with the permission granted to the Company in the XXIII Year of Kuang-Hsü (1897) to cut timber and mine coal for the use of the railway, it is now agreed to allow the

[1] *Op. cit.*, p. 47.

Company to fell timber at its pleasure in the forests on government lands, each tree to be paid for at a price to be fixed by the Engineer-in-Chief or his deputy in consultation with the local authorities, but not higher than the local market rate. But no forests on property in the province of Shengking belonging to the Imperial family, or on sites that affect the *feng-shui* being under the direct control of the Peking Government may be injured or disturbed.

The Company shall also be allowed in the regions traversed by this branch line to mine such coal as may be needed for the construction or operation of the railway, the price of which coal shall be fixed by the Engineer-in-Chief or his Deputy in consultation with the local authorities but shall not exceed the royalty paid by other parties in the same locality.

ART. V. Within the leased territory on the Liao-tung Peninsula Russia may fix the Customs Tariff to suit herself, and China may levy and collect duties at the boundaries on all goods going from the leased territory to the interior or from the interior to the leased territory. In dealing with this matter China may arrange with Russia for the latter Government to establish the Customs at Dalny and from the date of the opening of the said port to international trade to appoint the Chinese Eastern Railway Company to act as the Agent of the Chinese Imperial Board of Revenue to open and manage the Customs and in its behalf to levy and collect duties. The said Customs shall be under the sole control of the Peking Government, to which the said Agent shall from time to time report its management. In addition there shall be appointed a Chinese civil official to be stationed as Deputy at the said Customs. All baggage of passengers and all goods brought from railway stations within the Russian boundaries by the said line into the territory leased to Russia in the Liao-tung Peninsula, or shipped from the said leased territory into the Russian Empire shall be entirely free of all Customs duties as well as of all inland transit and *likin* dues. Goods shipped by rail from the interior of China to the leased territory or from the leased territory to the interior must pay export or import duties respectively according to the Imperial Maritime Customs Tariff without increase or reduction.

ART. VI. The Company may at its pleasure assume the responsibility of establishing a line of sea-going vessels flying the Company's flag, to be operated under the Regulations for Foreign Mercantile Shipping. Should these vessels or the management of the business in connexion therewith occasion any financial loss, the Chinese Government shall not be held responsible. Passenger fares and freight rates shall be established by the Company to suit itself, and shall in no wise concern the railway. The period of the management of the said enterprise being of course unlimited, the provisions of Article XII of the Contract between the Chinese Government and the Russo-Chinese Bank of the XXII year of Kuang-Hsü (1896) fixing a price for the purchase of the railway, and a date for its reversion to China without payment, shall not apply to this undertaking.

ART. VII. As to the location of the Southern Manchurian Railway line, and the determination of the places through which it shall pass, it will be necessary to wait until the Engineer-in-Chief shall have surveyed the route through Manchuria and made report of the conditions to the Head Office of the Company, when the Company or its Agent in Peking shall consult with the Director General of the Railway and decide the matter.

## IV. RUSSIA AND CHINA

*Convention with regard to Manchuria, April 8th, 1902.*[1]

ARTICLE I.—*Chinese authority in Manchuria to be re-established.*—His Imperial Majesty the Emperor of Russia, desirous of giving fresh proof of his peaceable and friendly disposition towards His Majesty the Emperor of China, and overlooking the fact that attacks were first made from frontier posts in Manchuria on peaceable Russian Settlements, agrees to the re-establishment of the authority of the Chinese Government in that region, which remains an integral part of the Chinese Empire, and restores to the Chinese Government the right to exercise therein governmental and administrative authority, as it existed previous to the occupation by Russian troops of that region.

ART. II.—*China to protect railway and all Russian subjects and their undertakings.*—In taking possession of the governmental and administrative authority in Manchuria, the Chinese Government confirms, both with regard to the period and with regard to all other Articles, the obligation to observe strictly the stipulations of the Contract concluded with the Russo-Chinese Bank on the 27th August, 1896, and, in virtue of paragraph 5 of the above-mentioned Contract, takes upon itself the obligation to use all means to protect the railway and the persons in its employ, and binds itself also to secure within the boundaries of Manchuria the safety of all Russian subjects in general and the undertakings established by them.

*Evacuation of Manchuria by Russia.*—The Russian Government, in view of these obligations accepted by the Government of His Majesty the Emperor of China, agrees on its side, provided that no disturbances arise and that the action of other Powers should not prevent it, to withdraw gradually all its forces from within the limits of Manchuria in the following manner:

(*a*) Within six months from the signature of the Agreement, to clear the southwestern portion of the Province of Mukden up to the river Liao ho of Russian troops, and to hand the railways over to China.

(*b*) Within further six months to clear the remainder of the Province of Mukden and the Province of Kirin of Imperial troops.

(*c*) Within the six months following to remove the remaining Imperial Russian troops from the Province of Hei-lung-chiang.

[1] *Op. cit.*, 65.

## V. RUSSIA AND JAPAN

*Treaty of Peace, September 5th,* 1905.[1]

ARTICLE II. The Imperial Russian Government, acknowledging that Japan possesses in Corea paramount political, military, and economical interests, engage neither to obstruct nor interfere with the measures of guidance, protection and control which the Imperial Government of Japan may find it necessary to take in Corea.

It is understood that Russian subjects in Corea shall be treated exactly in the same manner as the subjects or citizens of other foreign Powers, that is to say, they shall be placed on the same footing as the subjects or citizens of the most favoured nation.

It is also agreed that, in order to avoid all cause of misunderstanding, the two High Contracting Parties will abstain, on the Russo-Corean frontier, from taking any military measure which may menace the security of Russian or Corean territory.

ART. III. Japan and Russia mutually engage:

1. To evacuate completely and simultaneously Manchuria except the territory affected by the lease of the Liao-tung Peninsula, in conformity with the provisions of additional Article I annexed to this Treaty; and

2. To restore entirely and completely to the exclusive administration of China all portions of Manchuria now in the occupation or under the control of the Japanese or Russian troops, with the exception of the territory above mentioned.

The Imperial Government of Russia declare that they have not in Manchuria any territorial advantages or preferential or exclusive concessions in impairment of Chinese sovereignty or inconsistent with the principle of equal opportunity.

ART. IV. Japan and Russia reciprocally engage not to obstruct any general measures common to all countries, which China may take for the development of the commerce and industry of Manchuria.

ART. V. The Imperial Russian Government transfer and assign to the Imperial Government of Japan, with the consent of the Government of China, the lease of Port Arthur, Talien and adjacent territory and territorial waters and all rights, privileges and concessions connected with or forming part of such lease, and they also transfer and assign to the Imperial Government of Japan all public works and properties in the territory affected by the above mentioned lease.

The two High Contracting Parties mutually engage to obtain the consent of the Chinese Government mentioned in the foregoing stipulation.

The Imperial Government of Japan on their part undertake that the proprietary rights of Russian subjects in the territory above referred to shall be perfectly respected.

[1] *Op. cit.*, p. 71.

ART. VI. The Imperial Russian Government engage to transfer and assign to the Imperial Government of Japan, without compensation and with the consent of the Chinese Government, the railway between Chang-chun (Kuancheng-tzu) and Port Arthur and all its branches, together with all rights, privileges and properties appertaining thereto in that region, as well as all coal mines in the said region belonging to or worked for the benefit of the railway.

The two High Contracting Parties mutually engage to obtain the consent of the Government of China mentioned in the foregoing stipulations.

ART. VII. Japan and Russia engage to exploit their respective railways in Manchuria exclusively for commercial and industrial purposes and in no wise for strategic purposes.

It is understood that that restriction does not apply to the railway in the territory affected by the lease of the Liao-tung Peninsula.

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ADDITIONAL ARTICLES

I.—*To Article III.*

The Imperial Governments of Japan and Russia mutually engage to commence the withdrawal of their military forces from the territory of Manchuria simultaneously and immediately after the Treaty of Peace comes into operation, and within a period of eighteen months from that date, the Armies of the two countries shall be completely withdrawn from Manchuria, except from the leased territory of the Liao-tung Peninsula.

The forces of the two countries occupying the front positions shall be first withdrawn.

The High Contracting Parties reserve to themselves the right to maintain guards to protect their respective railway lines in Manchuria. The number of such guards shall not exceed fifteen per kilometre and within that maximum number, the Commanders of the Japanese and Russian Armies shall, by common accord, fix the number of such guards to be employed, as small as possible having in view the actual requirements.

The Commanders of the Japanese and Russian forces in Manchuria shall agree upon the details of the evacuation in conformity with the above principles, and shall take by common accord the measures necessary to carry out the evacuation as soon as possible and in any case not later than the period of eighteen months.

## VI. JAPAN AND CHINA

*Treaty and additional agreement relating to Manchuria, December 22nd, 1905.*[1]

ARTICLE I. The Imperial Chinese Government consent to all the transfers and assignments made by Russia to Japan by Articles V and VI of the Treaty of Peace above mentioned.[2]

[1] *Op. cit.*, p. 78.

[2] September 5th, 1905.

ART. II. The Imperial Japanese Government engage that in regard to the leased territory as well as in the matter of railway construction and exploitation, they will, so far as circumstances permit, conform to the original agreements concluded between China and Russia. In case any question arises in the future on these subjects, the Japanese Government will decide it in consultation with the Chinese Government.

ADDITIONAL AGREEMENT

ART. I. The Imperial Chinese Government agree that as soon as possible after the evacuation of Manchuria by the Japanese and Russian forces, the following cities and towns in Manchuria will be opened by China herself as places of international residence and trade:

In the Province of Shengking:
Fenghwangcheng; Liaoyang; Hsinmintun; Tiehling; Tungkiangtzu and Fakumen.
In the Province of Kirin:
Changchun (Kuanchengtzu); Kirin; Harbin; Ninguta; Hunchun and Sanhsing.
In the Province of Heilungkiang:
Tsitsihar; Hailar; Aihun and Manchuli.

ART. II. In view of the earnest desire expressed by the Imperial Chinese Government to have the Japanese and Russian troops and railway guards in Manchuria withdrawn as soon as possible, and in order to meet this desire, the Imperial Japanese Government, in the event of Russia agreeing to the withdrawal of her railway guards, or in case other proper measures are agreed to between China and Russia, consent to take similar steps accordingly. When tranquillity shall have been re-established in Manchuria and China shall have become herself capable of affording full protection to the lives and property of foreigners, Japan will withdraw her railway guards simultaneously with Russia.

. . . . . .

ART. VI. The Imperial Chinese Government agree that Japan has right to maintain and work the military railway line constructed between Antung and Mukden and to improve the said line so as to make it fit for the conveyance of commercial and industrial goods of all nations. The term for which such right is conceded is fifteen years from the date of the completion of the improvements above provided for. The work of such improvements is to be completed within two years, exclusive of a period of twelve months during which it will have to be delayed owing to the necessity of using the existing line for the withdrawal of troops. The term of the concession above mentioned is therefore to expire in the 49th year of Kuang-Hsü. At the expiration of that term, the said railway shall be sold to China at a price to be determined by appraisement of all its properties by a foreign expert who will be selected by both parties. The conveyance by the railway of the troops and munitions of war of the Chinese

Government prior to such sale shall be dealt with in accordance with the regulations of the Eastern Chinese Railway. Regarding the manner in which the improvements of the railway are to be affected, it is agreed that the person undertaking the work on behalf of Japan shall consult with the Commissioner dispatched for the purpose by China. The Chinese Government will also appoint a Commissioner to look after the business relating to the railway as is provided in the Agreement relating to the Eastern Chinese Railway. It is further agreed that detailed regulations shall be concluded regarding the tariffs for the carriage by the railway of the public and private goods of China.

. . . . . .

ART. IX. The methods of laying out the Japanese Settlement at Ying-kou in the Province of Shengking, which has already been opened to trade, and at Antung and Mukden in the same Province, which are still unopen although stipulated to be opened, shall be separately arranged and determined by officials of Japan and China.

ART. X. The Imperial Chinese Government agree that a joint-stock company of forestry composed of Japanese and Chinese capitalists shall be organized for the exploitation of the forests in the regions on the right bank of the river Yalu and that a detailed agreement shall be concluded in which the area and term of the concession as well as the organization of the company and all regulations concerning the joint work of exploitation shall be provided for. The Japanese and Chinese shareholders shall share equally in the profits of the undertaking.

ART. XI. The Governments of Japan and China engage that in all that relates to frontier trade between Manchuria and Corea most favoured nation treatment shall be reciprocally extended.

## VII. JAPAN AND CHINA

*Japanese Imperial Ordinance No.* 142, *sanctioning Organization of South Manchuria Railway Company, June 7th,* 1906.[1]

ART. I. The Government shall cause the organization of the South Manchuria Railway Joint Stock Company for the purpose of engaging in railway traffic in Manchuria.

ART. II. The shares of the company shall all be registered [signed] and may be owned only by the Japanese and Chinese Governments or by subjects of Japan and China.

ART. III. The Japanese Government may offer its Manchurian railways, and their appurtenances, and its coal mines in Manchuria, as the capital to be furnished by the Government.

ART. IV. The company may divide the new shares to be raised into several issues to be floated at different times, but the amount of the first issue shall not be less than one-fifth of the whole amount.

ART. V. The first payment upon the shares need not exceed one-tenth of the value of the shares.

[1] *Op. cit.*, p. 85.

ART. VI. The company shall establish its head-office at Tokyo and a branch office at Dalny.

ART. VII. The company shall have a president, a vice-president, four or more directors and from three to five inspectors.

ART. VIII. The president shall represent the company and manage its affairs.

The vice-president shall perform the president's duties when the latter is prevented from discharging them, and shall act as president when the latter post is vacant.

The vice-president and directors shall assist the president in his duties and shall take charge of various departments of the company's business.

The inspectors shall examine the business of the company.

ART. IX. The Government, subject to the Imperial sanction, shall appoint the president and vice-president, whose terms of office shall be five years.

The Government shall appoint the directors from among those shareholders who own fifty or more shares. The term of office shall be four years.

The inspectors shall be elected from among the shareholders at a general meeting of the latter. The term of office shall be three years.

ART. X. The amount of compensation and allowances of the president, vice-president and directors shall be fixed by the Government.

ART. XI. The president, vice-president and directors of the company, shall not engage in any other business or trade, under any name whatsoever, during their terms of office, except by special permission of the Government.

ART. XII. The Government shall appoint supervisors for the South Manchuria Railway Joint Stock Company to supervise the business of the company.

The supervisors may at any time examine the company's business and inspect their safes, books, documents and any other articles belonging to the company.

The supervisors, whenever they may deem it necessary, may order the company to report on the various accounts and the condition of the company's business.

The supervisors may attend the general meetings of the shareholders of the company, or any other meetings, and express their opinions, but shall not be entitled to vote.

ART. XIII. The Government may issue such orders as may be necessary to superintend the business of the company.

ART. XIV. In case the decisions of the company or the conduct of its officers are in violation of laws and regulations or of the object of the company, or are detrimental to the public welfare, or fail to carry out the orders of the Government office under whose jurisdiction the company is, the Government may cancel the said decisions or dismiss the officers concerned.

ART. XV. When the Government deems it necessary, it may

apply to the company the provisions of the laws and regulations relating to railways in Japan.

In the case referred to in the preceding paragraph the Government shall inform the company in advance as to the laws and regulations to be so applied.

ART. XVI. When not otherwise provided for in this Ordinance, the provisions of the Commercial Code and its Supplementary Laws and Regulations shall be applied.

## VIII. JAPAN AND RUSSIA

*Political Convention, July 30th, 1907.*[1]

THE Government of His Majesty the Emperor of Japan and the Government of His Majesty the Emperor of All the Russias, desiring to consolidate the relations of peace and good neighbourhood which have happily been re-established between Japan and Russia, and wishing to remove for the future every cause of misunderstanding in the relations of the two Empires, have agreed upon the following provisions:

ART. I. Each of the High Contracting Parties engages to respect the actual territorial integrity of the other, and all the rights accruing to one and the other Party from the treaties, conventions and contracts in force between them and China, copies of which have been exchanged between the Contracting Parties (in so far as these rights are not incompatible with the principle of equal opportunity), from the treaty signed at Portsmouth on the 5th of September (23rd of August), 1905, as well as from the special conventions concluded between Japan and Russia.

ART. II. The two High Contracting Parties recognize the independence and the territorial integrity of the Empire of China and the principle of equal opportunity in whatever concerns the commerce and industry of all nations in that empire, and engage to sustain and defend the maintenance of the *status quo* and respect for this principle by all the pacific means within their reach.

## IX. JAPAN AND THE UNITED STATES

*Root-Takahira Agreement of November 30th, 1908.*

THE Root-Takahira Agreement between Japan and the United States was embodied in an exchange of Notes.[2] In these Notes it was declared:

1. It is the wish of the two Governments to encourage the free and peaceful development of their commerce in the Pacific Ocean.

2. The policy of both governments, uninfluenced by any aggressive tendencies, is directed to the maintenance of the existing *status quo*

[1] *Op. cit.*, p. 116.

[2] MacMurray: *Treaties and Agreements with and concerning China*, p. 769.

in the region above mentioned and to the defence of the principle of equal opportunity for commerce and industry in China.

3. They are accordingly firmly resolved reciprocally to respect the territorial possessions belonging to each other in said region.

4. They are also determined to preserve the common interest of all Powers in China by supporting by all pacific means at their disposal the independence and integrity of China and the principle of equal opportunity for commerce and industry of all nations in that Empire.

5. Should any event occur threatening the *status quo* as above described or the principle of equal opportunity as above defined, it remains for the two governments to communicate with each other in order to arrive at an understanding as to what measures they may consider it useful to take.

## X. U.S. PROPOSAL FOR THE NEUTRALIZATION OF CERTAIN RAILWAY LINES IN MANCHURIA

### (*a*) Russian Reply[1]

*Aide-Mémoire from the Russian Ministry of Foreign Affairs to the American Embassy at St. Petersburg, January 21st,* 1910.

The Imperial Government did not fail to submit to the most serious examination the alternative proposed by the Government of the United States of America, tending on the one hand to establish an international administration and control of the railroads in Manchuria and on the other hand to engage Russian capital in the enterprise of the Chinchow–Tsitsihar–Aigun Railroad. The Federal Government sees in this proposition the best means of maintaining in their entirety the political rights of China in Manchuria and of contributing to the development of this Province by applying to it the principle of the open door.

It is with a feeling of deep satisfaction that the Imperial Government notes the just testimony borne by the United States Government to the sincere desire with which Russia is animated to support in Manchuria the policy of the open door and of equal opportunity, as well as to guarantee to China her full sovereignty there.

However, nothing appears at the present time to threaten either this sovereignty or the open door policy in Manchuria. Consequently, the Imperial Government cannot discover in the present condition of Manchuria any reason necessitating the placing on the order of the day of the questions raised by the United States Government.

At the same time the Imperial Government believes that it must declare with absolute frankness that the establishment of an international administration and control of the Manchurian railroads as proposed by the Federal Government would seriously injure Russian interests, both public and private, to which the Imperial Government attaches a capital importance. This proposition cannot, therefore, meet with a favourable reception on its part.

[1] *Foreign Relations of the United States, 1910,* p. 249.

In making this statement the Imperial Government is pleased to hope that, appreciating at their just value the immense material sacrifices and moral efforts at the expense of which these interests were created, the Federal Government will look at this question from the same standpoint as the Imperial Government, which standpoint is equitable in every respect. The Imperial Government, believing that the interests involved in the Chinese Eastern Railway are notorious, believes that it may confine itself to stating their substance succinctly.

It is important above all to remark that at the time this immense enterprise was put into execution under extraordinary conditions, the Chinese Eastern Railway Company insured itself, for the whole duration of the concession—that is, for 80 years—both on the part of the Chinese and of the Russian Government, well-defined rights and privileges which it did not consent to relinquish unless China redeemed the whole enterprise, but in no event before the expiration of a period of 36 years. The Company therefore adopted its plan of operation with the conviction of being able to realize this long period of time guaranteed to it by the very act of concession. Now 30 years still separate it from the expiration of the shortest of these periods.

It is evident that, under these conditions, to urge it to relinquish its rights and privileges would be to inflict on these interests an injury which nothing could warrant. For this the Imperial Government sees no sufficient reason.

On the other hand, the fact must not be lost sight of that, being obliged to operate in a country where European civilization does not exist, the company was compelled to make great expenditures not only for the construction of the railroad proper, but also in connexion with numerous auxiliary works. It was also necessary to create and organize various kinds of administrations and services connected in one way or another with the railroad. Finally, thanks to the public confidence which was enjoyed by the company, numerous private enterprises, more or less connected with the railroad, arose along the Chinese Eastern line, very considerable capital being invested in them. It is hardly possible to enumerate the numerous interests grouped about this line to-day. And this is a sufficient reason why the Imperial Government deems itself obliged to use the greatest circumspection in making any modification whatever of the state of affairs which is the source of so many interests.

There is still another final consideration which still more greatly obliges the Imperial Government to observe great prudence. The development of Manchuria and the exploitation of its natural resources are not the only purposes pursued by the Chinese Eastern Railroad. The latter is of a public interest of the first order to Russia. It constitutes the principal line of communication between the Russian possessions in the Far East and the rest of the Empire; it is also the great artery by which these possessions are supplied with Russian merchandise. In this way the line is but an integral part of the great Trans-Siberian Railway, which is used by almost all of western Europe in its relations with the Far East. It is this

consideration that decided the Russian Government to guarantee, at very considerable expense, the capital invested in the construction of the Chinese Eastern Railway, and to cover the deficit resulting from its operation. It cannot, therefore, be a matter of indifference to the Imperial Government whether it is an international organ that administers a line of such importance, or, on the contrary, a Russian stock company which is obliged not to fix the rates and conditions of transportation of merchandise by the Chinese Eastern Railroad without the consent of the Russian Government, and which, by the very nature of the concession obtained, is closely connected with the interests of the nation.

These are the considerations which, from the Russian standpoint, determine in a conclusive manner the attitude of the Imperial Government toward the proposition of the United States Government regarding the international administration and control of the Manchurian railroads. There are others, however, of a general character which likewise do not plead in favour of this proposition.

The Imperial Government is of the opinion that the proposition of the United States does not sufficiently guarantee that the new order of things will have a satisfactory result from a financial standpoint. At all events, the organization proposed for Manchuria is of a tentative character, which has not only never been tried in China but is unusual in itself. To decide in favour of it on so vast a scale as proposed by the Federal Government, relinquishing for this purpose a system that has been tested, would only be possible with a certainty of obtaining favourable results. The Imperial Government regrets that it does not have this certainty.

Taking up, now, the second alternative of the American proposition, the Imperial Government considers itself obliged to declare that it regards the project of construction of the Chinchow–Tsitsihar–Aigun Railroad as being of capital importance to Russia. Its accomplishment will open up a new route giving access from the south not only to the Chinese Eastern Railroad, but directly to Russian possessions at Aigun. This shows adequately the strategic and political importance of the enterprise. Moreover, the construction of this line will essentially modify the conditions under which eastern Mongolia and the north of Manchuria are served by the Chinese Eastern Railroad. Now, the Imperial Government cannot realize the consequences of this proposition and decide on the attitude which it ought to assume in regard thereto unless it is informed of the basis on which it reposes. For these reasons the Imperial Government, while being willing in principle to take this question under consideration, hopes that it will be enabled to know the basis of the proposition in due time in order that it may, after a thorough examination, reach a final attitude with regard to the proposition itself as well as to its participation therein.

It is the same with any future project concerning a financial participation in the construction of railroads in Manchuria. The Imperial Government considers that it must reserve the privilege of examining every project of this kind from a double standpoint of its

political and strategical interests and of the interests of the Chinese Eastern Railroad. Then only could it take a position in regard to each of the lines which might be projected.

*Memorandum from the Russian Embassy.*[1]

Imperial Russian Embassy,
Washington, February 24th 1910.

A careful study of the Chinchow–Aigun Railroad project has convinced the Imperial Russian Government that such a railroad would be exceedingly injurious both to the strategic and the economic interests of Russia. China in 1899 engaged not to build railroads to the north of Peking with foreign capital other than Russian, and Russia could be willing not to insist on the execution by China of this obligation only under the conditions that railroads built with capital provided by international syndicates should not be an evident menace to the security of the Russian frontier and should not injure the interests of Russia's railroad enterprise in Manchuria. On the other hand, the Imperial Russian Government consider that foreign capitalists merely seek an advantageous investment of their capital and have no tendency to assist Chinese plans inimical to Russia and for this reason would see no objection to replace the Chinchow–Aigun project by another of equal value as to its economic importance and less disadvantageous to Russia.

For these reasons the Imperial Government has conceived the plan of proposing to China and to the English syndicate to build not the Chinchow–Aigun line, but to build a railroad from Kalgan, which is already connected with the northern Chinese railroads, to Urga, and further, to the Russian frontier at Kiakhta. The project of such a line has been under consideration for some time, and according to information in the possession of the Imperial Government is favourably considered by China and by foreigners interested in railroad building in China. The difficulties to its realization were considered primarily to be that for deriving from it every possible advantage it would be necessary that this line be connected with the Siberian Railroad. The Imperial Government would not object to such a connexion and might for this purpose build a branch road from one of the stations of the Trans-Baikal Railroad to Kiakhta, but would desire as compensation therefor that Russia's participation in the building of the Kalgan–Urga–Kiakhta Railroad should take the form of letting Russian capitalists undertake the building of the section Urga–Kiakhta.

The Russian ambassador is instructed to confidentially acquaint the honourable the Secretary of State with the above and to express the hope that this counterproposal will be favourably received by the Government of the United States and enlist their support.

[1] *Op. cit.*, p. 261.

### (*b*) Japanese Reply[1]

*From the Japanese Minister for Foreign Affairs to the American Ambassador at Tokyo.*

Department of Foreign Affairs,
Tokyo, January 21, 1910.

Monsieur l'Ambassador: The note which your excellency did me the honour of addressing to me under the date of the 18th ultimo, in reference to the internationalization and administration of the railways of Manchuria, was duly received and has had, it is scarcely necessary to add, the most serious attention of the Government of His Majesty the Emperor.

The Imperial Government are well aware that the proposal of the United States is entirely disinterested, and that it has for its single inspiration a desire to promote what your excellency's Government conceives to be the best interests of China, and I beg you to accept my assurances that the Imperial Government, upholding in all sincerity as they do the integrity of the Chinese Empire and the principle of equal opportunity in all parts of China, would unhesitatingly lend their undivided support to the project if they could bring themselves to the conclusion that its realization would accomplish the result desired.

The relations of friendship and good understanding which so long existed between our two countries and the common desire of both that nothing may be permitted to weaken the sentiment of mutual goodwill and confidence afford, I am happy to believe, ample assurance that a frank exposition of the reasons which prevent my Government from giving their support to the scheme will not be misunderstood or misconstrued.

The most serious objection to the proposal in question lies in the fact that it contemplates a very important departure from the terms of the treaty of Portsmouth. That treaty was designed to establish in Manchuria a permanent order of things, and the Imperial Government firmly believed that in a strict and loyal adhesion to its provisions are to be found the highest guaranties of enduring peace and repose in this part of the world and of the orderly advancement of Manchuria. Not the least difficult of the many difficult and important problems that were definitely solved at Portsmouth was the question of railways. That adjustment subsequently received the deliberate confirmation of the Chinese Government in the treaty of Peking, and the railway operations now carried on in southern Manchuria are consistent with the original concessions which were with equal deliberation granted by the same Power.

Nor can the Imperial Government see in the present condition of things in Manchuria anything so exceptional as to make it necessary or desirable to set up there an exceptional system not required in other parts of China. There is nothing in the actual situation in that region, so far as the Imperial Government are aware, which exceptionally interferes with the undisturbed enjoyment by

[1] *Op. cit.*, p. 251.

China of her political rights. So far as the question of the open door is concerned the principle of equal opportunity possesses in its application to Manchuria a more comprehensive signification than it has elsewhere in China, since in virtue of Article VII of the treaty of Portsmouth the Japanese and the Russian railways in those Provinces are dedicated exclusively to commercial and industrial uses. Finally, in the matter of railway administration, it is impossible for the Imperial Government to believe that the substitution of an international in place of a national régime would prove advantageous or beneficial. On the contrary, it seems to them that in the presence of such a system economy and efficiency would, in the nature of things, be obliged to yield to political exigencies and that the divided responsibility of the system would inevitably mean an absence of due responsibility, to the serious disadvantage of the public and the detriment of the service.

These are the principal reasons why the project under examination does not commend itself to the favourable consideration of the Imperial Government. But there are other cogent reasons which cannot be ignored.

In the regions affected by the Japanese railways in Manchuria there have grown numerous Japanese industrial and commercial undertakings which owed their inception, as they owe their continual existence, to the fact that the Imperial Government, possessing the railways in question, are able to extend to those enterprises and to the persons engaged in them due protection and defence against attack and pillage by lawless bands that still infest the country. In the development of these enterprises, which are contributing in such a marked degree to the prosperity and progress of Manchuria, a large number of Japanese subjects and large sums of Japanese money are enlisted, and the Imperial Government could not in good faith or with a due sense of their responsibility consent to surrender the means by which such protection and defence are made possible.

The observations which I have now the honour to present to your excellency, and which I venture to hope may prove as convincing to your excellency's Government as they are convincing to my own, have reference to the plan in its widest sense, but they are, I should add, no less applicable to the scheme in its more restricted form, since the two plans are in principle the same and differ only in degree.

In conclusion, I wish to express to your excellency the sincere appreciation of my Government for the courteous intimation of the United States concerning the projected Chinchow–Aigun line, and to say that in principle the Imperial Government will be prepared to participate in the enterprise with the other Powers interested in the question. But as that question is clearly distinguishable from the main subject of your excellency's note, I will, with your permission, reserve this minor point for separate and independent attention when the necessary details regarding the matter are known.

I avail myself, &c.,

COUNT KOMURA.

## XI. JAPAN AND RUSSIA

*Convention in regard to Manchuria, July 4th, 1910.*[1]

THE Imperial Government of Russia and the Imperial Government of Japan, sincerely attached to the principles established by the convention concluded between them July 17/30, 1907, and desiring to develop the results of that convention with a view to the consolidation of peace in the Far East, have agreed to complete the said arrangement by the following agreements:

ARTICLE I. For the purpose of facilitating the communications and developing the commerce of the nations, the two High Contracting Parties engage mutually to lend each other their friendly co-operation with a view to the improvement of their respective lines of railroad in Manchuria, and to the perfecting of the connecting service of the said railways, and to refrain from all competition unfavourable to the attainment of this result.

ART. II. Each of the High Contracting Parties engages to maintain and to respect the *status quo* in Manchuria as it results from all the treaties, conventions or other arrangements hitherto concluded, either between Russia and Japan or between these two Powers and China. Copies of the aforesaid arrangements have been exchanged between Russia and Japan.

ART. III. In case any event of such a nature as to menace the above-mentioned *status quo* should be brought about, the two High Contracting Parties will in each instance enter into communication with each other, for the purpose of agreeing upon the measures that they may judge it necessary to take for the maintenance of the said *status quo*.

## XII. JAPAN AND CHINA

(a) *The Twenty-one Demands presented by Japan to China, January 18th, 1915.*[2]

*Japanese Statement.*

Group II. The Japanese Government and the Chinese Government, in view of the fact that the Chinese Government has always recognized the predominant position of Japan in South Manchuria and Eastern Inner Mongolia, agree to the following articles:

ART. I. The two Contracting Parties mutually agree that the term of the lease of Port Arthur and Dairen and the term respecting the South Manchuria Railway and the Antung–Mukden Railway shall be extended to a further period of 99 years respectively.

ART. II. The Japanese subjects shall be permitted in South Manchuria and Eastern Inner Mongolia to lease or own land required

[1] *Manchuria: Treaties and Agreements*, p. 141. [2] *Op. cit.*, p. 164.

either for erecting buildings for various commercial and industrial uses or for farming.

ART. III. The Japanese subjects shall have liberty to enter, reside, and travel in South Manchuria and Eastern Inner Mongolia, and to carry on business of various kinds—commercial, industrial, and otherwise.

ART. IV. The Chinese Government grant to the Japanese subjects the right of mining in South Manchuria and Eastern Inner Mongolia. As regards the mines to be worked, they shall be decided upon in a separate agreement.

ART. V. The Chinese Government agree that the consent of the Japanese Government shall be obtained in advance, (1) whenever it is proposed to grant to other nationals the right of constructing a railway or to obtain from other nationals the supply of funds for constructing a railway in South Manchuria and Eastern Inner Mongolia, and (2) whenever a loan is to be made with any other Power, under security of the taxes of South Manchuria and Eastern Inner Mongolia.

ART. VI. The Chinese Government engage that whenever the Chinese Government need the service of political, financial, or military advisers or instructors in South Manchuria or in Eastern Inner Mongolia, Japan shall first be consulted.

ART. VII. The Chinese Government agree that the control and management of the Kirin–Changchun Railway shall be handed over to Japan for a term of 99 years dating from the signing of this Treaty.

. . . . . .

Group V. 1. The Chinese Central Government to engage influential Japanese as political, financial, and military advisers;

2. The Chinese Government to grant the Japanese hospitals, temples, and schools in the interior of China the right to own land;

3. In the face of many police disputes which have hitherto arisen between Japan and China, causing no little annoyance the police in localities (in China), where such arrangements are necessary, to be placed under joint Japanese and Chinese administration, or Japanese to be employed in police offices in such localities, so as to help at the same time the improvement of the Chinese Police Service;

4. China to obtain from Japan supply of a certain quantity of arms, or to establish an arsenal in China under joint Japanese and Chinese management and to be supplied with experts and materials from Japan;

5. In order to help the development of the Nanchang–Kiukiang Railway, with which Japanese capitalists are so closely identified, and with due regard to the negotiations which have for years been pending between Japan and China in relation to the railway question in South China, China to agree to give to Japan the right of constructing a railway to connect Wuchang with the Kiukiang–Nanchang line, and also the railways between Nanchang and Hangchou and between Nanchang and Chaochou;

6. In view of the relations between the Province of Fukien and Formosa and of the agreement respecting the non-alienation of that province, Japan to be consulted first whenever foreign capital is

needed in connexion with the railways, mines, and harbour works (including dockyards) in the Province of Fukien;

7. China to grant to Japanese subjects the right of preaching in China.

(b) *Treaty and exchanges of Notes respecting South Manchuria and Eastern Inner Mongolia, May 25th,* 1915.[1]

Article 1. The two High Contracting Parties agree that the term of lease of Port Arthur and Dalny and the terms of the South Manchuria Railway and the Antung–Mukden Railway, shall be extended to 99 years.

Art. 2. Japanese subjects in South Manchuria may, by negotiation, lease land necessary for erecting suitable buildings for trade and manufacture or for prosecuting agricultural enterprises.

Art. 3. Japanese subjects shall be free to reside and travel in South Manchuria and to engage in business and manufacture of any kind whatsoever.

Art. 4. In the event of Japanese and Chinese desiring jointly to undertake agricultural enterprises and industries incidental thereto, the Chinese Government may give its permission.

Art. 5. The Japanese subjects referred to in the preceding three articles, besides being required to register with the local Authorities passports which they must procure under the existing regulations, shall also submit to the police laws and ordinances and taxation of China.

Civil and criminal cases in which the defendants are Japanese shall be tried and adjudicated by the Japanese Consul; those in which the defendants are Chinese shall be tried and adjudicated by Chinese Authorities. In either case an officer may be deputed to the court to attend the proceedings. But mixed civil cases between Chinese and Japanese relating to land shall be tried and adjudicated by delegates of both nations conjointly in accordance with Chinese law and local usage.

When, in future, the judicial system in the said region is completely reformed, all civil and criminal cases concerning Japanese subjects shall be tried and adjudicated entirely by Chinese law courts.

Art. 6. The Chinese Government agrees, in the interest of trade and for the residence of foreigners, to open by China herself, as soon as possible, certain suitable places in Eastern Inner Mongolia, as Commercial Ports.

Art. 7. The Chinese Government agrees speedily to make a fundamental revision of the Kirin–Changchun Railway Loan Agreement, taking as a standard the provisions in railway loan agreements made heretofore between China and foreign financiers.

When in future, more advantageous terms than those in existing railway loan agreements are granted to foreign financiers in connexion with railway loans, the above agreement shall again be revised in accordance with Japan's wishes.

[1] *Op. cit.*, pp. 158 *et seq.*

ART. 8. All existing treaties between China and Japan relating to Manchuria shall, except where otherwise provided for by this Treaty, remain in force.

ART. 9. The present Treaty shall come into force on the date of its signature. The present Treaty shall be ratified by His Excellency the President of the Republic of China and His Majesty the Emperor of Japan, and the ratifications thereof shall be exchanged at Tokio as soon as possible.

*Exchange of Notes respecting the Terms of Lease of Port Arthur and Dalny and the Terms of South Manchurian and Antung–Mukden Railways.*

Peking,
the 25th day of the 5th month of the
4th year of Republic of China.

Monsieur le Ministre,

I have the honour to state that, respecting the provisions contained in Article 1 of the Treaty relating to South Manchuria and Eastern Inner Mongolia, signed this day, the term of lease of Port Arthur and Dalny shall expire in the 86th year of the Republic or 1997. The day for restoring the South Manchuria Railway to China shall fall due in the 91st year of the Republic or 2002. Article 12 in the original South Manchurian Railway Agreement providing that it may be redeemed by China after 36 years from the day on which the traffic is opened is hereby cancelled. The term of the Antung–Mukden Railway shall expire in the 96th year of the Republic or 2007.

I avail, &c.,
(Signed) LOU TSENG-TSIANG.

*His Excellency Hioki Eki,*
*Japanese Minister.*

*Exchange of Notes respecting the opening of Ports in Eastern Inner Mongolia.*

Peking,
the 25th day of the 5th month of the
4th year of the Republic of China.

Monsieur le Ministre,

I have the honour to state that the places which ought to be opened as Commercial Ports by China herself, as provided in Article 6 of the Treaty respecting South Manchuria and Eastern Inner Mongolia signed this day, will be selected, and the regulations therefor will be drawn up, by the Chinese Government itself, a decision concerning which will be made after consulting the Minister of Japan.

I avail, &c.,
(Signed) LOU TSENG-TSIANG.

*His Excellency Hioki Eki,*
*Japanese Minister.*

*Exchange of Notes respecting Railways and Taxes in South Manchuria and Eastern Inner Mongolia.*

Peking,
the 25th day of the 5th month of the
4th year of the Republic of China.

Monsieur le Ministre,

In the name of my Government, I have the honour to make the following declaration to your Government:

China will hereafter provide funds for building necessary railways in South Manchuria and Eastern Inner Mongolia; if foreign capital is required China may negotiate for a loan with Japanese capitalists first; and further, the Chinese Government, when making a loan in future on the security of the taxes in the above-mentioned places (excluding the salt and customs revenue which have already been pledged by the Chinese Central Government) may negotiate for it with Japanese capitalists first.

I avail, &c.,
(Signed) LOU TSENG-TSIANG.

*His Excellency Hioki Eki,*
*Japanese Minister.*

*Exchange of Notes respecting the Employment of Advisers in South Manchuria.*

Peking,
the 25th day of the 5th month of the
4th year of the Republic of China.

Monsieur le Ministre,

In the name of the Chinese Government, I have the honour to make the following declaration to your Government:

'Hereafter, if foreign advisers or instructors on political, financial, military or police matters are to be employed in South Manchuria, Japanese may be employed first.'

I avail, etc.,
(Signed) LOU TSENG-TSIANG.

*His Excellency Hioki Eki,*
*Japanese Minister.*

*Exchange of Notes respecting the Explanation of 'Lease by Negotiation' in South Manchuria.*

Peking,
the 25th day of the 5th month
of the 4th year of Taisho.

Excellency,

I have the honour to state that the term 'lease by negotiation' contained in Article 2 of the Treaty respecting South Manchuria and

Eastern Inner Mongolia signed this day shall be understood to imply a long-term lease of not more than thirty years and also the possibility of its unconditional renewal.

I avail, &c.,
(Signed) HIOKI EKI.

*His Excellency Lou Tseng-tsiang,*
*Minister of Foreign Affairs.*

*Exchange of Notes respecting the Arrangement for Police Laws and Ordinances and Taxation in South Manchuria and Eastern Inner Mongolia.*

Peking,
the 25th day of the 5th month of the
4th year of the Republic of China.

Monsieur le Ministre,

I have the honour to state that, as regards the police laws and ordinances and the taxation to which Japanese subjects shall submit according to Article 5 of the Treaty respecting South Manchuria and Eastern Inner Mongolia signed this day, the Chinese authorities will come to an understanding with the Japanese Consul before their enforcement.

I avail, &c.,
(Signed) LOU TSENG-TSIANG.

*His Excellency Hioki Eki,*
*Japanese Minister.*

## XIII. JAPAN AND RUSSIA

*Convention in regard to co-operation in the Far East, July 3rd,* 1916.[1]

THE Imperial Government of Russia and the Imperial Government of Japan, having resolved to unite their efforts for the maintenance of a permanent peace in the Far East, are agreed upon the following:

ARTICLE I. Russia will not be a party to any arrangement or political combination directed against Japan.

Japan will not be a party to any arrangement or political combination directed against Russia.

ART. II. In the event that the territorial rights or the special interests, in the Far East, of one of the Contracting Parties, recognized by the other Contracting Party, should be menaced, Russia and Japan will confer in regard to the measures to be taken with a view to the support or co-operation to be given each other in order to safeguard and defend those rights and interests.

[1] *Op. cit.*, p. 183.

## XIV. JAPAN AND THE UNITED STATES

*The Lansing-Ishii Agreement, November 2nd, 1917.*[1]

The Lansing-Ishii Agreement was concluded by an exchange of identic Notes on November 2nd, 1917. The Note signed by Mr. Lansing was as follows:

Department of State, Washington,
November 2nd, 1917.

Excellency,

I have the honour to communicate herein my understanding of the agreement reached by us in our recent conversations touching the questions of mutual interest to our Governments relating to the Republic of China.

In order to silence mischievous reports that have from time to time been circulated, it is believed by us that a public announcement once more of the desires and intentions shared by our two Governments with regard to China is advisable.

The Government of the United States and Japan recognize that territorial propinquity creates special relations between countries, and, consequently, the Government of the United States recognizes that Japan has special interests in China, particularly in the part to which her possessions are contiguous.

The territorial sovereignty of China, nevertheless, remains unimpaired and the Government of the United States has every confidence in the repeated assurances of the Imperial Japanese Government that while geographical position gives Japan such special interests they have no desire to discriminate against the trade of other nations or to disregard the commercial rights heretofore granted by China in treaties with other Powers.

The Governments of the United States and Japan deny that they have any purpose to infringe in any way the independence or territorial integrity of China, and they declare, furthermore, that they always adhere to the principle of the so-called 'Open Door' or equal opportunity for commerce and industry in China.

Moreover, they mutually declare that they are opposed to the acquisition by any Government of any special rights or privileges that would affect the independence or territorial integrity of China or that would deny to the subjects or citizens of any country the full enjoyment of equal opportunity in the commerce and industry of China.

I shall be glad to have Your Excellency confirm this understanding of the agreement reached by us.

Accept, Excellency, the renewed assurance of my highest consideration.

ROBERT LANSING.

*His Excellency Viscount Kikujiro Ishii,*
*Ambassador Extraordinary and Plenipotentiary of Japan, on Special Mission.*

[1] MacMurray, p. 1394.

## XV. JAPAN AND CHINA

(a) *Japanese Statement in reply to the request of the Chinese Delegation that the Treaties and Agreements of* 1915 *should be annulled—Conference on Limitation of Armament, Washington, February* 2*nd* 1922.[1]

At a previous session of this Committee, the Chinese Delegation presented a statement urging that the Sino-Japanese Treaties and Notes of 1915 be reconsidered and cancelled. The Japanese Delegation, while appreciating the difficult position of the Chinese Delegation, does not feel at liberty to concur in the procedure now resorted to by China with a view to cancellation of international engagements which she entered into as a free sovereign nation.

It is presumed that the Chinese Delegation has no intention of calling in question the legal validity of the compacts of 1915, which were formally signed and sealed by the duly authorized representatives of the two Governments, and for which the exchange of ratifications was effected in conformity with established international usages. The insistence by China on the cancellation of those instruments would in itself indicate that she shares the view that the compacts actually remain in force and will continue to be effective, unless and until they are cancelled.

It is evident that no nation can have given ready consent to cessions of its territorial or other rights of importance. If it should once be recognized that rights solemnly granted by treaty may be revoked at any time on the ground that they were conceded against the spontaneous will of the grantor, an exceedingly dangerous precedent will be established, with far-reaching consequences upon the stability of the existing international relations in Asia, in Europe and everywhere.

The statement of the Chinese Delegation under review declares that China accepted the Japanese demands in 1915, hoping that a day would come when she should have the opportunity of bringing them up for reconsideration and cancellation. It is, however, difficult to understand the meaning of this assertion. It cannot be the intention of the Chinese Delegation to intimate that China may conclude a treaty, with any thought in mind of breaking it at the first opportunity.

The Chinese Delegation maintains that the treaties and notes in question are derogatory to the principles adopted by the Conference with regard to China's sovereignty and independence. It has, however, been held by the Conference on more than one occasion that concessions made by China *ex contractu*, in the exercise of her own sovereign rights, cannot be regarded as inconsistent with her sovereignty and independence.

It should also be pointed out that the term 'Twenty-one Demands', often used to denote the treaties and notes of 1915, is inaccurate and grossly misleading. It may give rise to an erroneous impression that

[1] British White Paper: Cmd. 1627 of 1922, p. 64.

the whole original proposals of Japan had been pressed by Japan and accepted *in toto* by China. As a matter of fact, not only 'Group V', but also several other matters contained in Japan's first proposals were eliminated entirely or modified considerably, in deference to the wishes of the Chinese Government, when the final formula was presented to China for acceptance. Official records published by the two Governments relating to those negotiations will further show that the most important terms of the treaties and notes, as signed, had already been virtually agreed to by the Chinese negotiators before the delivery of the ultimatum, which then seemed to the Japanese Government the only way of bringing the protracted negotiations to a speedy close.

The Japanese Delegation cannot bring itself to the conclusion that any useful purpose will be served by research and re-examination at this Conference of old grievances which one of the nations represented here may have against another. It will be more in line with the high aim of the Conference to look forward to the future with hope and confidence.

Having in view, however, the changes which have taken place in the situation since the conclusion of the Sino-Japanese Treaties and Notes of 1915, the Japanese Delegation is happy to avail itself of the present occasion to make the following declaration:

1. Japan is ready to throw open to the joint activity of the International Financial Consortium recently organized the right of option granted exclusively in favour of Japanese capital, with regard, first, to loans for the construction of railways in South Manchuria and Eastern Inner Mongolia, and, second, to loans to be secured on taxes in that region; it being understood that nothing in the present declaration shall be held to imply any modification or annulment of the understanding recorded in the officially announced notes and memoranda which were exchanged among the Governments of the countries represented in the Consortium and also among the national financial groups composing the Consortium, in relation to the scope of the joint activity of that organization.

2. Japan has no intention of insisting on her preferential right under the Sino-Japanese arrangements in question concerning the engagement by China of Japanese advisers or instructors on political, financial, military, or police matters in South Manchuria.

3. Japan is further ready to withdraw the reservation which she made, in proceeding to the signature of the Sino-Japanese Treaties and Notes of 1915, to the effect that Group V of the original proposals of the Japanese Government would be postponed for future negotiations.

It would be needless to add that all matters relating to Shantung contained in those treaties and notes have now been definitely adjusted and disposed of.

In coming to this decision, which I have had the honour to announce, Japan has been guided by a spirit of fairness and moderation, having always in view China's sovereign rights and the principle of equal opportunity.

(b) *Reply of the Chinese Delegation to the Japanese Statement regarding the Treaties and Agreements of* 1915, *February 3rd* 1922.[1]

The Chinese Delegation has taken note of the statement of Baron Shidehara made at yesterday's session of the Committee with reference to the Sino-Japanese Treaties and Notes of the 25th May, 1915.

The Chinese Delegation learns with satisfaction that Japan is now ready to throw open to the joint activity of the banking interests of other Powers the right of option granted exclusively in favour of Japanese capital with regard, first, to loans for the construction of railways in South Manchuria and Eastern Inner Mongolia, and, second, to loans secured on taxes in that region; and that Japan has no intention of insisting upon a preferential right concerning the engagement by China of Japanese advisers or instructors in political, financial, military or police matters in South Manchuria; also that Japan now withdraws the reservation which she made to the effect that Group V of her original demands upon China should be postponed for future negotiation.

The Chinese Delegation greatly regrets that the Government of Japan should not have been led to renounce the other claims predicated upon the treaties and notes of 1915.

The Japanese Delegation expressed the opinion that abrogation of these agreements would constitute 'an exceedingly dangerous precedent', 'with far-reaching consequences upon the stability of the existing international relations in Asia, in Europe and everywhere'.

The Chinese Delegation has the honour to say that a still more dangerous precedent will be established with consequences upon the stability of international relations which cannot be estimated, if, without rebuke or protest from other Powers, one nation can obtain from a friendly, but in a military sense, weaker neighbour, and under circumstances such as attended the negotiation and signing of the treaties of 1915, valuable concessions which were not in satisfaction of pending controversies and for which no *quid pro quo* was offered. These treaties and notes stand out, indeed, unique in the annals of international relations. History records scarcely another instance in which demands of such a serious character as those which Japan presented to China in 1915, have, without even pretence of provocation, been suddenly presented by one nation to another nation with which it was at the time in friendly relations.

No apprehension need be entertained that the abrogation of the agreements of 1915 will serve as a precedent for the annulment of other agreements, since it is confidently hoped that the future will furnish no such similar occurrences.

So exceptional were the conditions under which the agreements of 1915 were negotiated, the Government of the United States felt justified in referring to them in the identic note of the 13th May,

[1] *Op. cit.*, p. 67.

1915, which it sent to the Chinese and Japanese Governments. That note began with the statement that 'in view of the circumstances which have taken place and which are now pending between the Government of China and the Government of Japan and of the agreements which have been reached as the result thereof, the Government of the United States has the honour to notify the Government of the Chinese Republic (Japan) that it cannot recognize any agreement or undertaking which has been entered into between the Governments of China and Japan impairing the treaty rights of the United States and its citizens in China, the political or territorial integrity of the Republic of China, or the international policy relative to China commonly known as the Open Door Policy'.

Conscious of her obligations to the other Powers, the Chinese Government, immediately after signing the agreements, published a formal statement protesting against the agreements which she had been compelled to sign, and disclaiming responsibility for consequent violations of treaty rights of the other Powers. In the statement thus issued the Chinese Government declared that although they were 'constrained to comply in full with the terms of the (Japanese) ultimatum' they nevertheless 'disclaim any desire to associate themselves with any revision which may be thus effected, of the various conventions and agreements concluded between the other Powers in respect of the maintenance of China's territorial independence and integrity, the preservation of the *status quo*, and the principle of equal opportunity for the commerce and industry of all nations in China'.

Because of the essential injustice of these provisions, the Chinese Delegation, acting in behalf of the Chinese Government and of the Chinese people, has felt itself in duty bound to present to this Conference, representing the Powers with substantial interests in the Far East, the question as to the equity and justice of these agreements and therefore as to their fundamental validity.

If Japan is disposed to rely solely upon a claim as to the technical or juristic validity of the agreements of 1915, as having been actually signed in due form by the two Governments, it may be said that so far as this Conference is concerned, the contention is largely irrelevant, for this gathering of the representatives of the nine Powers, has not had for its purpose the maintenance of the legal *status quo*. Upon the contrary, the purpose has been, if possible, to bring about such changes in existing conditions upon the Pacific and in the Far East as might be expected to promote that enduring friendship among the nations of which the President of the United States spoke in his letter of invitation to the Powers to participate in this Conference.

For the following reasons, therefore, the Chinese Delegation is of the opinion that the Sino-Japanese treaties and exchange of notes of the 25th May, 1915, should form the subject of impartial examination with a view to their abrogation:

1. In exchange for the concessions demanded of China, Japan offered no *quid pro quo*. The benefits derived from the agreements were wholly unilateral.

2. The agreements, in important respects, are in violation of treaties between China and the other Powers.

3. The agreements are inconsistent with the principles relating to China which have been adopted by the Conference.

4. The agreements have engendered constant misunderstandings between China and Japan, and, if not abrogated, will necessarily tend, in the future, to disturb friendly relations between the two countries, and will thus constitute an obstacle in the way of realizing the purpose for the attainment of which this Conference was convened. As to this, the Chinese Delegation, by way of conclusion, can, perhaps, do no better than quote from a resolution introduced in the Japanese Parliament, in June 1915, by Mr. Hara, later Premier of Japan, a resolution which received the support of some one hundred and thirty of the members of the Parliament.

The resolution reads:

'*Resolved*, that the negotiations carried on with China by the present Government have been inappropriate in every respect; that they are detrimental to the amicable relationship between the two countries, and provocative of suspicions on the part of the Powers; that they have the effect of lowering the prestige of the Japanese Empire; and that, while far from capable of establishing the foundation of peace in the Far East, they will form the source of future trouble.'

The foregoing declaration has been made in order that the Chinese Government may have upon record the view which it takes, and will continue to take, regarding the Sino-Japanese treaties and exchange of notes of the 25th May, 1915.

## XVI. NINE POWER TREATY

*Treaty between the United States of America, Belgium, the British Empire, China, France, Italy, Japan, the Netherlands and Portugal relating to principles and policies to be followed in matters concerning China—Conference on Limitation of Armament, Washington, February 6th*, 1922.[1]

Article 1. The Contracting Powers, other than China agree:

(1) To respect the sovereignty, the independence, and the territorial and administrative integrity of China;

(2) To provide the fullest and most unembarrassed opportunity to China to develop and maintain for herself an effective and stable government;

(3) To use their influence for the purpose of effectually establishing and maintaining the principle of equal opportunity for the commerce and industry of all nations throughout the territory of China;

(4) To refrain from taking advantage of conditions in China in order to seek special rights or privileges which would abridge the

[1] British White Paper: Cmd. 1627 of 1922. U.S. Senate Document, No. 125 of 1922.

rights of subjects or citizens of friendly States, and from countenancing action inimical to the security of such States.

ART. II. The Contracting Powers agree not to enter into any treaty, agreement, arrangement, or understanding, either with one another, or, individually or collectively, with any Power or Powers, which would infringe or impair the principles stated in Article I.

ART. III. With a view to applying more effectually the principles of the Open Door or equality of opportunity in China for the trade and industry of all nations, the Contracting Powers, other than China, agree that they will not seek, nor support their respective nationals in seeking—

(*a*) any arrangement which might purport to establish in favour of their interests any general superiority of rights with respect to commercial or economic development in any designated region of China;

(*b*) any such monopoly or preference as would deprive the nationals of any other Power of the right of undertaking any legitimate trade or industry in China, or of participating with the Chinese Government, or with any local authority, in any category of public enterprise, or which by reason of its scope, duration or geographical extent is calculated to frustrate the practical application of the principle of equal opportunity.

It is understood that the foregoing stipulations of this Article are not to be so construed as to prohibit the acquisition of such properties or rights as may be necessary to the conduct of a particular commercial, industrial, or financial undertaking or to the encouragement of invention and research.

China undertakes to be guided by the principles stated in the foregoing stipulations of this Article in dealing with applications for economic rights and privileges from Governments and nationals of all foreign countries, whether parties to the present Treaty or not.

ART. IV. The Contracting Powers agree not to support any agreements by their respective nationals with each other designed to create Spheres of Influence or to provide for the enjoyment of mutually exclusive opportunities in designated parts of Chinese territory.

ART. V. China agrees that, throughout the whole of the railways in China, she will not exercise or permit unfair discrimination of any kind. In particular there shall be no discrimination whatever, direct or indirect, in respect of charges or of facilities on the ground of the nationality of passengers or the countries from which or to which they are proceeding, or the origin or ownership of goods or the country from which or to which they are consigned, or the nationality or ownership of the ship or other means of conveying such passengers or goods before or after their transport on the Chinese Railways.

The Contracting Powers, other than China, assume a corresponding obligation in respect of any of the aforesaid railways over which they or their nationals are in a position to exercise any control in virtue of any concession, special agreement or otherwise.

ART. VI. The Contracting Powers, other than China, agree fully

to respect China's rights as a neutral in time of war to which China is not a party; and China declares that when she is a neutral she will observe the obligations of neutrality.

ART. VII. The Contracting Powers agree that, whenever a situation arises which in the opinion of any one of them involves the application of the stipulations of the present Treaty, and renders desirable discussion of such application, there shall be full and frank communication between the Contracting Powers concerned.

ART. VIII. Powers not signatory to the present Treaty, which have Governments recognized by the Signatory Powers and which have treaty relations with China, shall be invited to adhere to the present Treaty. To this end the Government of the United States will make the necessary communications to non-Signatory Powers and will inform the Contracting Powers of the replies received. Adherence by any Power shall become effective on receipt of notice thereof by the Government of the United States.

ART. IX. The present Treaty shall be ratified by the Contracting Powers in accordance with their respective constitutional methods and shall take effect on the date of the deposit of all the ratifications, which shall take place at Washington as soon as possible. The Government of the United States will transmit to the other Contracting Powers a certified copy of the *procés-verbal* of the deposit of ratifications.

The present Treaty, of which the French and English texts are both authentic, shall remain deposited in the archives of the Government of the United States, and duly certified copies thereof shall be transmitted by that Government to the other Contracting Powers.

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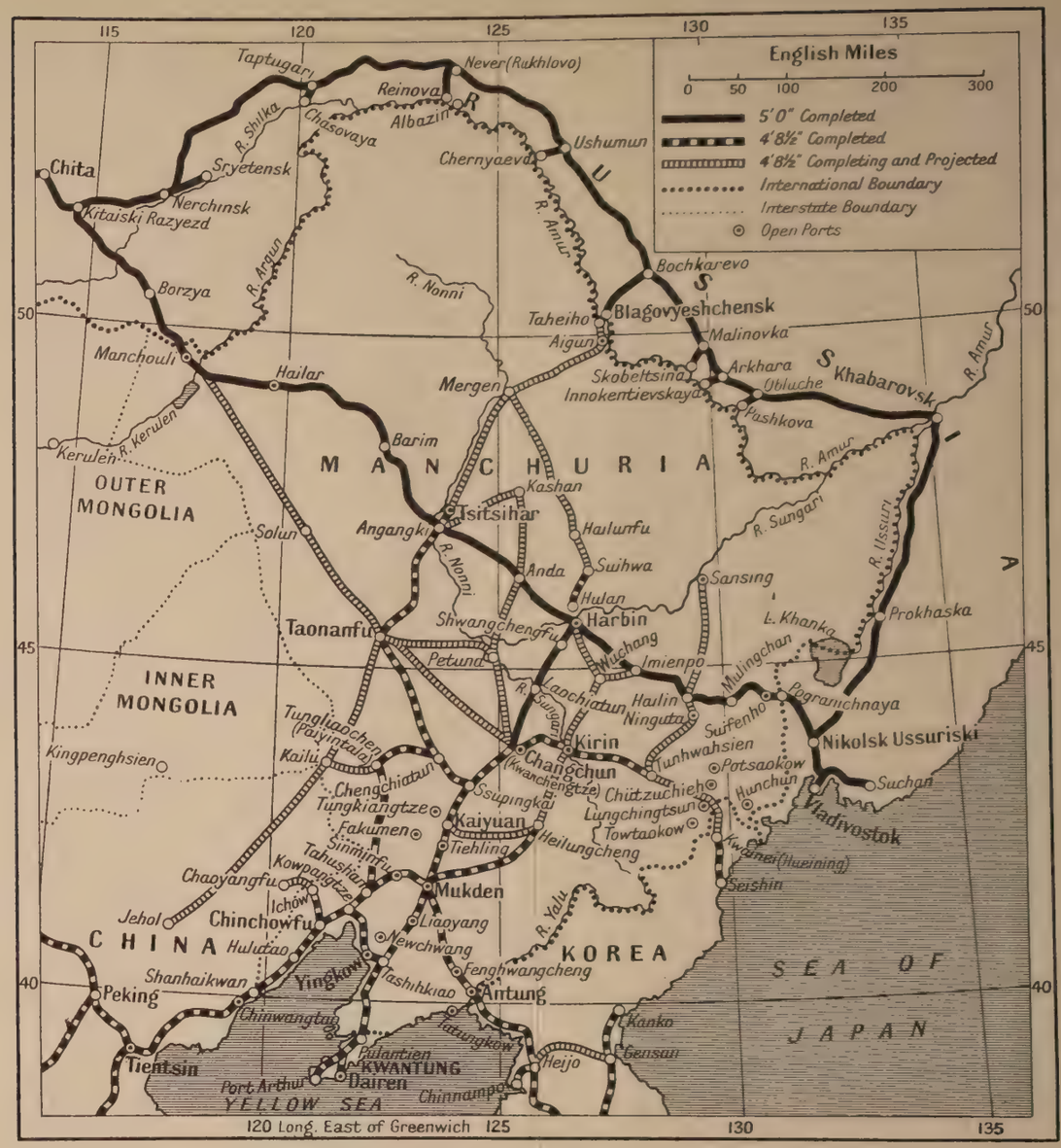

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